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FINANCIAL TIMES

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Saturday October 12 1985

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WORLD NEWS

Reagan has new cancer operation

President Reagan said more skin cancer had been found on his nose, and was removed by the White House doctor in a "minor operation" on Thursday.

He underwent surgery in July to remove cancerous growth in his colon and then had a cancerous patch of skin removed from his nose.

He said Thursday's surgery was part of routine follow-up to the earlier operation. "My nose is clean," he told reporters.

Murder charge remand

A 15-year-old boy was remanded in custody at Tottenham Juvenile Court charged with murdering PC Keith Blacklock during riots. A fifth teenager has been arrested in connection with his death. Strike, Page 4

McGlinchey extradited

Dominic McGlinchey, whose conviction of a terrorist murder was overturned in Belfast this week, was freed, then re-arrested and extradited to Ireland to face more charges.

Terrorism arrests

Several men were arrested by Leicestershire police under the Prevention of Terrorism Act, apparently in connection with Indian Premier Rajiv Gandhi's visit next week.

Kabul off the agenda

President Reagan and Soviet leader Mikhail Gorbachev will not discuss Afghanistan when they meet next month, Soviet Deputy Foreign Minister Mikhail Kapitsa said.

Nobel Prize to doctors

The Nobel Peace Prize was awarded to International Physicians for the Prevention of Nuclear War, founded in Geneva in 1980. Page 2

Missiles out of Greece

The U.S. has begun withdrawing Nike anti-aircraft missiles from Greece under a Nato plan to cut battlefield nuclear arms. Athens said.

Sri Lankan ceasefire

India persuaded Sri Lanka's Government and Tamil separatist leaders to introduce a ceasefire with agreed monitoring procedures. Page 2

'No ban on CND'

Lord Chancellor Lord Hailsham denied that there had been any change in policy to prevent Campaign for Nuclear Disarmament members acting as justices of the peace.

Ballots 'help Labour'

Pre-strike ballots required by law will help the Labour Party in the next general election by distancing it from union militancy, researcher Roger Undy said. Page 4

Layoff shortened

Liverpool City Council said the 31,000 workers it plans to lay off will be rehired after four weeks, instead of three months. Page 4

Helsinki purge likely

Finland's Communist Party looks likely to defy the Soviet Union by purging pro-Moscow activists. Page 2

Bush goes to China

U.S. Vice-President George Bush arrives in China tomorrow for talks expected to cover trade problems and disagreements over Taiwan.

Poles flee to Sweden

Three Polish men sought political asylum in Ystad, southern Sweden, after crossing the Baltic in a small yacht.

Long view

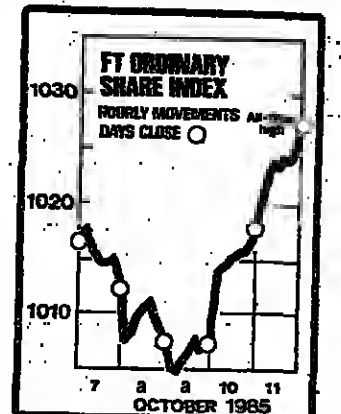
Nearly two thirds of white South Africans believe there will never be black majority rule in their country, an opinion poll showed.

BUSINESS SUMMARY

Daimler set to buy in AEG

Daimler-Benz, the German vehicle manufacturer, looks set to take a stake—probably a majority—in the AEG electrical group. The deal could be worth more than DM 1bn (£266m). Back Page

FT ORDINARY SHARE INDEX rose 9.7 on the day to an all-time high of 1,027.5, three points higher than the previous peak reached in January. On the week the index was up 11. Page 12



BUILDING SOCIETY receipts in September were £200m below target at £597m. Page 4

ANNUAL INFLATION rate fell below 6 per cent for the first time since February. Back Page

ZINC PRICES in London fell to the lowest level for 28 months as a new round of European producer price cuts began. Page 11

AITKEN HUME fund management and banking group, is poised to buy the Septioel Insurance Company, an unquoted life assurance group, for £16.5m. Page 8

LYONS' insurance market row is set to break out over an imminent settlement between the company and the Inland Revenue over £100m of disputed tax liabilities. Page 4

CAMPAIGN to raise up to £6bn to build a fixed link across the Channel began in earnest. Back Page; Feature Page 6

PRESIDENT REAGAN nominated Wayne Angell, an economics professor, banker and farmer, and Manuel Johnson, assistant treasury secretary, to be governors of the Federal Reserve, the U.S. central bank. Back Page

ACORN COMPUTERS, troubled home computer group, made a larger annual loss than was predicted at the time of its second financial restructuring in August. Back Page; Details, Page 8

IBM, world's biggest computer group, reported lower earnings for the third consecutive quarter at \$1.47bn (£1.04bn), a 7 per cent decline. Page 9

ARIANESPACE, which sells European Ariane rocket launches for satellites, has set up its own insurance scheme for clients.

ZAMBIA currency, the Kwacha, was devalued by 56 per cent as part of an economic recovery plan announced last week.

HANSON TRUST began its \$75 per share cash tender offer for SCM. Page 9

FIRST CHICAGO, tooth biggest U.S. bank, reported a sharp recovery in profitability with third quarter net income of \$56.4m (£39.94m). Page 9

J. WALTER THOMPSON advertising agency has won the British Telecom account worth about £14m annually. Page 4

CHINA told Japan that it could not accept another large trade deficit next year. Page 3

PRESIDENT SAYS U.S. ACTED ALONE IN CAPTURING HIJACKERS

Reagan warns terrorists

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

PRESIDENT Ronald Reagan yesterday hailed the U.S. mid-air capture of four Palestinian hijackers over the Mediterranean as showing terrorists everywhere that "you can run but you can't hide."

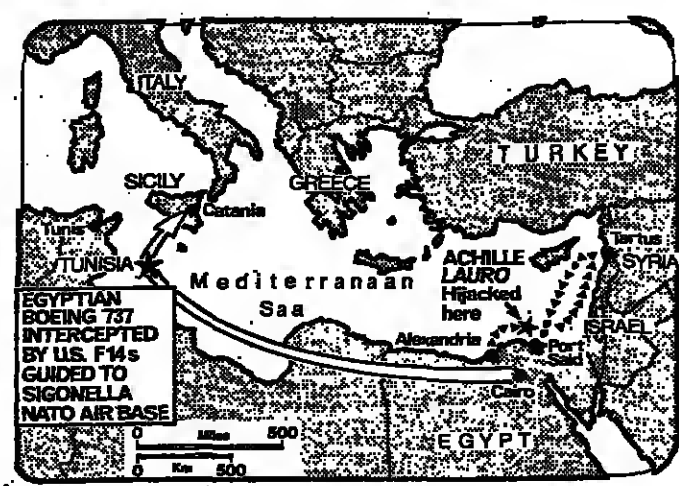
In his first public statement following the interception on Thursday night by U.S. fighters of a chartered Egyptian Boeing 737 carrying the hijackers, Mr Reagan said the U.S. had acted alone without informing Egypt or Italy in advance.

The fighters forced the Boeing to land at the U.S. Sigonella base in Sicily.

In a bid to repair strained relations with Egypt, which yesterday expressed surprise and regret over the U.S. operation, Mr Reagan played down the differences between Washington and Cairo and said he hoped that a single disagreement would not damage the firm friendship between the two countries.

An elated U.S. general public and politicians from both major parties acclaimed Mr Reagan's action as finally showing that the U.S. was able and willing to take a tough military stand against terrorism. It was "a major triumph for the United States," said Democratic Senator Patrick Leahy, vice-chairman of the Senate Intelligence Committee.

Mr Larry Speakes, the White House spokesman, stressed that "no shots were fired" during the interception. "It was a successful outcome. It was just



the right application of U.S. force.

As Italian authorities began questioning the hijackers yesterday, Washington said that the U.S. would pursue a request for their extradition to stand trial for the murder of an American passenger aboard the cruise ship Achille Lauro, which the hijackers took over off Egypt on Monday and held for two days before surrendering in Port Said.

The White House added, however, that the U.S. was willing to let Italy try the four Palestinians and would only press its case "if the matter is not disposed of legally in Italy." Mr Reagan said that if it was possible that the hijackers could be tried both in Italy, which does not have the death

penalty, and in the U.S., which does.

If extradited, the hijackers would be tried for murder in the U.S., while they would be charged with piracy in Italy, Mr Reagan said.

Mr Reagan stressed that the U.S. Government had not sought the help of Italy or Egypt in the operation knowing that there must be "no leak of any kind" of the top secret plans, to which he gave the go-ahead on Thursday afternoon as he returned from a trip to Chicago.

Mr Reagan said he had chosen to act because the mission had been "possible." The problem in the past when the U.S. had not used military force against terrorists had not been a "lack of will," he said.

Thatcher offers vision of 1990s

BY PETER RIDDELL, POLITICAL EDITOR IN BLACKPOOL

A VISION of Britain in the 1990s with three out of four families owning their home and with share ownership as common as having a car was yesterday offered by Mrs Margaret Thatcher.

In her closing address to the Conservative Party Conference the Prime Minister also firmly ruled out reflation and took a robust stance on the recent inner city riots, condemning the attitude of some Labour leaders and promising more support for the police.

The 40-minute speech was shorter than usual and at times disjointed, but was enthusiastically received with an eight-minute standing ovation and shouts of "Ten more years" in flag-waving scenes similar to those at the Last Night of the Proms.

Most of the speech was defensive, to reassure party doubters, with only a short section setting out aims for the next decade. "Step by step we are rolling back the frontiers of socialism and returning power to the people," she said.

Mrs Thatcher cited increased home and share ownership as examples of families baring "a degree of independence their forefathers could only dream about." She also talked of a Britain where there is a resurgence of enterprise, where there is a standard of health care far better than anything we have ever known and where people can look forward to their retirement, certain of their pension, confident of its buying power.

Earlier, after stressing her concern with unemployment, she rejected reflation, warning that it would mean worse inflation and unemployment. "You can't build a secure future on dishonest money," she said.

New jobs were coming and enterprise was returning to Britain. This was her only reference to Thursday's speech by Mr Peter Walker, the Energy Secretary. He had warned of the disastrous electoral consequences of continuing high unemployment. Apart from Lord Hailsham, Mr Walker was the

only Cabinet minister not on the platform for Mrs Thatcher's speech; he had returned to London for a meeting.

Mr Walker's comments yesterday provoked Mr Nigel Lawson, the Chancellor, into the barbed comment that, since Mr Walker was "a man of honour, if he disagreed with the policy I am sure he would not wish to remain a member of the Cabinet. He must support Government economic policy since he is a member."

In general the conference has been united, partly in reaction to Mr Neil Kinnock's successful speeches as Labour leader in Bournemouth last week and partly following the Tottenham riots.

Mrs Thatcher delighted activists by arguing, in reference to Mr Kinnock, that "courage is what you show in the heat of battle, not at the post mortem." She said the Militant left would not be beaten by "brave words and ritual disclaimers."

If the Labour leadership is genuinely against those people,

why don't they expel them? Isn't the real reason that they are a bigger and bigger part of the Labour Party?

Senior Tories hope these attacks will help dent any Labour revival in the opinion polls after what has been a generally subdued conference. Mrs Thatcher, in common with other speakers this week, also teased the Alliance about divisions between the Social Democrats and the Liberals.

On the inner city riots Mrs Thatcher argued that there was no excuse for crime and violence. She said it was "an insult to the unemployed to suggest the man who doesn't have a job is likely to break the law." Stressing strong support for the police, she said that if they needed more men, more equipment, different equipment, they would have them. "We don't economise on protecting life and property."

Conference report, Page 5
Man in the News: Bernie Grant, Page 6
Further union laws considered, Back Page

Baker considers superbank idea

BY NANCY DUNNE IN WASHINGTON

MR JAMES BAKER, U.S. Treasury Secretary, is considering a proposal from Mr Paul Volcker, Federal Reserve chairman, to create an international superbank to disburse commercial bank loans to Third World debtor countries, the U.S. Treasury said yesterday.

Mr Baker believes a superbank could accelerate commercial lending to developing countries and ease negotiations between debtor nations and Western banks.

The Treasury said the proposal was discussed briefly by Mr Baker and Mr Volcker, but that at this stage it was just a concept. Mr Baker referred to the idea in an interview with the Washington Post published yesterday.

The Institute of International Finance, a think-tank by 189 international banks in 1982, has scheduled a meeting in Washington on October 28 to discuss Mr Baker's initiatives for easing the debt crisis. Mr Baker has proposed \$20bn (£14.3m) in new commercial bank lending over the next three years.

The institute refused to comment on the possibility that the superbank proposal would be discussed at the one-day meeting.

In his speech in Seoul calling for new strategies to deal with the debt problem Mr Baker apparently adopted the long-held view of "pro-growth conditionality" prompted by con-

gressional conservatives such as Congressman Jack Kemp.

Mr Kemp has said the austere conditionality imposed by the International Monetary Fund had promoted recession, while policies to advance free-market growth should instead be attached to new international lending.

Such conditionality could be imposed conceivably by a new superbank which would deal with debtor countries, IMF and World Bank.

According to the Washington Post the superbank would take over the current system of lending which is controlled by international bank syndicates. Because syndicates must obtain approval from each participating bank the lending process, or debt renegotiation packages are delayed.

Officers of one or two principal commercial banks could head the institution, which would be regulated by banking agencies. Mr Baker told the Post one idea under consideration was for all lenders to contribute funds and receive voting powers commensurate with their contributions.

● Peter Montagnon adds from Seoul: Mr Tom Clausen, World Bank president, said yesterday that increased lending targets set for it under the new U.S. initiative on easing the debt crisis were aggressive but achievable.

He told a press conference at the end of the World Bank and IMF annual meetings that the bank's ability to raise its lending to 15 main debtor countries by 50 per cent over the next three years would depend heavily on those countries' willingness themselves to promote the right economic policies.

At the meetings new emphasis emerged on the need for growth-oriented economic adjustment policies in the developing world's most heavily indebted nations. This would be joined by new lending from commercial banks and international institutions, totalling about \$47bn over the next three years.

Welcoming the increased role to be played by the World Bank Mr Jacques de Larosiere, IMF managing director, said: "We believe that the movement of adjustment has to be geared with new firmness towards the resolution of structural problems and obstacles to growth."

Mr Clausen said that under the U.S. initiative proposed by Mr Baker in Seoul on Tuesday, the World Bank was expected to increase its non-project-related lending to about 20 per cent of total loans, from 16 per cent now.

The new loans would help fund policy programmes to enhance the performance of entire economies or of sectors of a debtor's economy. Two named for Fed, Back Page

Change of luck for the chief

By Reginald Dale

AFTER MONTHS of pulling the wrong levers, President Ronald Reagan has suddenly hit the jackpot.

"It's the best thing since the invasion of Grenada," said one excited Washingtonian yesterday, as the nation responded with a wave of elation to the dramatic overnight news that the hijackers had been hijacked.

"A dose of their own medicine," said a delighted morning news announcer before starting to read the story. "We bagged the bums." The New York Daily News shouted triumphantly in a front page headline.

Citizens of the nation's capital, interviewed on a local radio station, were virtually unanimous on one point—the hijackers should be brought straight to the U.S. to face the electric chair. "Let's fry 'em quick," said one succinctly.

But the main reaction of ordinary Americans yesterday was simply: "It's about time."

U.S. impotence in dealing with terrorists, despite all the armed might of Uncle Sam, has for months been gnawing away at the nation's self-confidence, and its trust in the Reagan administration.

Only on Thursday, as the interception was being secretly planned, angry members of Congress were demanding what was the use of spending billions of dollars on defence if kidnapped Americans could not be rescued or their captors brought to justice. One even bitterly suggested that the State Department be renamed "the department of capitulation."

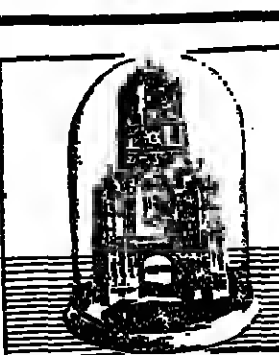
What has particularly distressed Americans—especially since the June hijacking of TWA flight 847—is that today's hijack victims are "regular folks," with whom everyone can identify.

The TWA passengers, and those aboard the Achille Lauro, could be mistaken for any number of the millions of Americans who through the world's airports. They could be almost anyone's family. It has reached the point where many Americans have become extremely reluctant to set foot out of the country.

This time, the sense of national outrage was intensified by the hijackers' choice of murder victim, the elderly semi-paralysed Mr Leon Klinghoffer, who was apparently shot and bundled overboard along with the wheelchair in which he had spent most of the cruise.

Continued on Back Page

WEEKEND FT



OXFORD CASH

Oxford colleges have transformed their balance books in the space of 20 years. Page I



GRANTS

The financially aware parent has little room for manoeuvre as student grants erode. Page V



ARTY CRAFTS

Chelsea Crafts Fair, bigger than ever. Page XIV



CLASSY CLARET

Low rainfall in late summer promises a memorable Bordeaux vintage. Page XV

MARKETS

DOLLAR	STERLING
New York lunchtime: DM 2.656	New York lunchtime: \$1.4125
FFr 8.103	London: \$1.412 (1.411)
SwFr 2.1755	DM 3.7525 (3.75)
Y214.475	FFr 11.45 (11.44)
London: DM 2.658 (same)	SwFr 3.0775 (3.0825)
FFr 8.11 (8.10)	Y203 (304)
SwFr 2.1755 (2.185)	Sterling index: 90.0 (same)
Y214.60 (215.4)	LONDON MONEY
Dollar index 131.3 (131.1)	3-month interbank: closing rate 11.1% (same)
Tokyo close Y216.10	3-month eligible bills: buying rate 11.1% (same)
U.S. LUNCHEON RATES	STOCK INDICES
Fed Funds 7 1/8	FT Ord. 1027.5 (+9.7)
3-month Treasury Bill: 7.25%	FT-A All Share 642.75 (+0.7%)
Long Bond: 100% yield: 10.60	FT-SE 100 1,322.3 (+8.2)
GOLD	FT-A long gilt yield index: High coupon 10.16 (10.17)
New York: Comex Dec. latest \$320.4	New York lunchtime: DJ Ind. 1,338.51 (+8.74)
London: \$325 (same)	Tokyo: Nikkei Dow 12,549.92 (+92.72)
Chief price changes yesterday, Back Page	

CONTINENTAL SELLING PRICES: Austria Sch 18; Belgium Fr 43; Denmark Kr 7.25; France Fr 6.02; Germany DM 2.22; Italy L 500; Netherlands Fl 2.52; Norway Kr 5.32; Portugal Esc 20; Spain Ptas 160; Sweden Kr 6.52; Switzerland Fr 2.20; Ireland Spas 300.

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OVERSEAS NEWS

Temptation of success still lures the hijacker Italy says it will put cruise liner terrorists on trial

BY RICHARD JOHNS

"FROM the halls of Montezuma to the shores of Tripoli..." President Ronald Reagan's order to intercept the aircraft carrying the Palestinian hijackers of the cruise ship Achille Lauro has deep roots in American tradition.

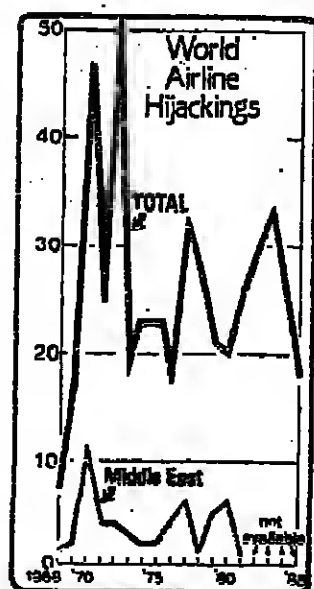
The words of the U.S. Marines anthem commemorate the intervention in Mexico in the mid-19th century in an assertion of the Monroe Doctrine and, second, rather more indelible the action taken by the American Navy shortly after the Napoleonic wars against the pirates of the Barbary Coast.

A consensus amongst civilised nations more or less eliminated piracy in a matter of a generation. Under the legal principle of *contra bonum et aequum*—against the good of humanity—was accepted that those who hijacked vessels on the high seas could be arbitrarily hung. The wholesale acceptance and application of this early concept of international law worked wonders.

The effectiveness of the concerted crackdown on piracy over 150 years ago and subsequent compliance about the safety of the merchant marine in times of peace could be said to have made possible the seizure of the Italian vessel.

Since 1931 there have been 231 hijackings of airline flights, according to the count of the U.S. Federal Aviation Authority. As a result there has been progressive tightening of security together with the implementation of much tougher laws internationally on air piracy.

The first real spate of hi-



Jackings came to the 1947-8 period as people sought to escape from Communist countries freshly submitted to the yoke of the Soviet Union, the first of them being a Romanian internal flight diverted to Turkey.

These hijackers were normally acclaimed by the media and their acts not in any way condemned as criminal. An official of the International Air Travel Association recalled yesterday. Historically, he estimated, the Polish carrier has been the most hijacked airline, probably followed by Delta of the U.S.

Hijacking then became a Cuban specialty with the first actual seizure of an internal flight and its diversion to the

U.S. actually occurring in 1933 under the Batista regime before Fidel Castro took power. Thereafter, airlines were seized not only by Cubans fleeing from the Castro regime but Cubans seeking the quickest possible route to their homeland when after the Bay of Pigs adventure of 1961 direct air communications to the island were halted.

Seldom were the culprits brought to justice. But several responsible for taking a Convair 440 of National Airlines on an unscheduled flight to Cuba in 1961 were apprehended in Miami 10 years later before being eventually brought to trial in 1976 when the civilised world community had come to accept hijacking as a serious crime.

Curiously, given the country's overbearing fight against "terrorism", the Israeli Government was responsible for the first forcible peacetime diversion of an aircraft, an operation described by President Eisenhower's Administration at the time as "without precedent" in international practice.

In December 1934 five members of the Israeli Defence Force were captured in Syrian territory wire-tapping the telephone network. The following day a Syrian civilian aircraft was intercepted by Israeli fighters after taking off from Damascus and forced to land at Lod airport where its passengers were held hostages under interrogation for 48 hours before they and the aircraft were released.

Mr Moshe Sharret, the then

Prime Minister, was less than happy by the initiative taken by his free-wheeling Minister of Defence, Pinchas Lavon, and Chief of Staff, Mr Moshe Dayan. He observed they seemed "to presume that the state of Israel may — even must — behave in international relations according to the law of the jungle."

One can only speculate how he would have viewed the wholesale destruction of Middle East Airlines fleet at Beirut airport at the end of 1968, and the diversion to Israel of an Iraqi Airways flight in August 1972 in a bid to capture Dr George Habbash, leader of the Popular Front for the Liberation of Palestine, he was not on board but the operation caused a UN Security Council censure.

The PFLP developed this form of terrorist violence on the Palestine side Dr Habbash's first hijack by the movement as a whole, when its gunmen directed El Al 707 to Algiers in July 1968.

It was responsible for most of the early operations including the most momentous of all the multiple hijack to September 1970 which triggered off the Jordanian civil war.

In retrospect, it is interesting to recall that the original attempt to hijack three aircraft simultaneously was, like many of these early Palestinian terrorist operations, a protest. It was the failure to commandeer the El Al flight and the detention in London of Leila Khaled which led in two subsequent hijacks, the threat to passenger hostages and the eventual blowing up of three air-

craft at Dawson's Field, Jordan and one at Cairo Airport.

Al Fatah, the mainstream of the Palestine Liberation Organisation, generally regarded hijacking as counterproductive in terms of the Palestinian cause. At least one, the affair of a Sabena airliner to Lod in May 1982 where the terrorists bargained the lives of the passengers for the release of 108 prisoners, was the work of October 1982. Al Fatah's terrorist cell in the 1971-74 period.

That year saw the peak in the number of hijacks with a total of 51, only four of which were in the Middle East, according to the figures of the FAA. The subsequent reduction was very much the result of the much tougher security in response to the early Palestinian operations.

Yet a new chapter of the saga inevitably emerged from the Lebanese civil war with the hijacking of the Kuwaiti Airways airliner to Tehran last December and then in June this summer the 17-day kidnapping of the TWA 727 at Beirut airport.

The Kuwaiti aircraft is still sitting on the tarmac in Tehran, a subject of an insurance dispute, but the 17 bombers of the U.S. and French embassies are still in gaol in the Gulf state.

Israeli prisoners whose freedom the Shiite cantors of the TWA flight sought were released and it is not possible to believe that there was no connection between their return to Lebanon and the freeing of the passengers. But resistance in blackmail is getting the upper hand over capitulation.

After the initial rejoicing at the surrender of the terrorists on Wednesday, the Italian Government became increasingly convinced of U.S. acquiescence in the murder of Mr Klinehoffer, which the captain of the Achille Lauro only informed the Government some hours after the departure of the terrorists.

Their free conduct out of Egypt had been agreed by Italy on the basis that they had neither killed nor wounded anyone.

The Government also faced some embarrassment over Sig

BY JAMES BUXTON IN ROME

THE ITALIAN Government had to argue for several hours yesterday morning to persuade the U.S. Administration that Italy should take judicial responsibility for the four terrorists held at the Sigmella air base in Sicily.

Sig Bettino Craxi, the Prime Minister, spoke by telephone with President Reagan while Sig Giulio Andreotti, the Italian Foreign Minister, talked with his opposite number, Mr George Shultz. "I can't say that I did not have difficulty in convincing him," said Sig Andreotti.

The U.S. Air Force had an aircraft ready at Sigonella to take the four men responsible for the hijack of the Italian cruise liner Achille Lauro to the U.S.

In the end, the Italian Government prevailed. This puts Italy in what one official privately called yesterday "the eye of the storm." "We have to face up to our responsibilities — something we don't always like doing."

The Craxi Government appeared to have had little choice in insisting on taking custody of the terrorists. Their offence was committed on an Italian ship on the high seas, that is, on Italian territory. Furthermore, Italy had on Thursday made clear its intention of asking the Palestinians to hand the men over. If it was confirmed that they had murdered Mr Leon Klinghoffer.

At present there are at least 10 Arab terrorists awaiting trial in Italian prisons. Of these, some were arrested earlier this year for trying to blow up the U.S. Embassy in Rome.

Italy has already received threats in connection with the terrorists that it holds. By taking on the four men responsible for the Achille Lauro hijack Italy is laying itself open in the risk of reprisal attacks.

Mubarak Government faces potentially embarrassing questions

THE EGYPTIAN Government has yesterday facing some potentially embarrassing questions about the release on Wednesday of the hijackers of the Achille Lauro and Thursday's attempt to fly them to safety in Tunisia. Tony Walker reports from Cairo.

Also, why, later in the day, while the hijackers were still in Cairo, was Egypt's Foreign Minister maintaining that they had been guaranteed safe passage even though strong circumstantial evidence pointed in the murder of one of the passengers?

Western diplomats in Cairo are amazed that in such circumstances, Egypt should have allowed the hijackers to leave.

One official said that his initial feeling was that there must have been a deal between the Egyptians and the Americans. But this has been denied in Washington and Cairo.

Reports from Rome indicate, however, that there may have been an "accord" between Egypt, the U.S., and Italy — possibly involving elements of the Palestine Liberation Organisation — in apprehending the hijackers.

One of the reasons advanced for the delay of more than 24 hours between the arrest of the hijackers and their departure from Egypt was because of Tunisian reluctance to accept them. Mr Mohamed Mzali,

Tunisia's Prime Minister, is on record as saying: "We would never accept terrorists, wherever they are, on our territory."

An Egyptian minister, who asked not to be named, said that the aircraft carrying the hijackers was denied landing rights in Tunis, despite previous assurances by the Tunisian Government.

He said the Egyptian pilot could not identify the inter-

ceptors in the dark and had to land in Sicily because the plane was nearly out of fuel.

"We were supposed to deliver them to Tunis and hand them over to the PLO to try them. We did not intend to hand them over to Italy."

The Minister said there had been no prior negotiations with the U.S. and that an Egyptian military personnel were on the aircraft.

Bonn faces criticism from Government ranks for Saudi deal

BY RUPERT CORNWELL IN BONN

THE West German Government has run into an ominous valley of criticism for its preliminary approval of plans for a German group to supply a DM 1.2 billion munitions plant to Saudi Arabia. Attacks on the move have come from influential voices among its own supporters as well as its opposition.

Both the Social Democrats and the Greens have denounced the possible contract details of which emerged just as Herr Gerhard Schröder, the West German President, was embarking on a highly delicate state visit to Israel.

Here, too, Jürgen Vogel, the SPD parliamentary leader, has commented that his party may force a full-scale Bundesrat debate on the issue, which inevitably would embrace the contentious wider subject of a possible relaxation of the country's strict current restrictions on arms sales abroad.

Several members of the liberal Free Democrats (FDP), the junior partner in the centre-right coalition have also signalled their dislike of the possible deal, while Herr

Hans-Dietrich Genscher, the Foreign Minister, is believed to have strong reservations.

The most embarrassing criticism has come from Herr Ernst Albrecht, the Prime Minister of Lower Saxony, who next year is due to lead the ruling CDU into a vitally important election in the state. Bonn should stick to its existing policy of refusing to supply arms to areas of tension, he declared, "and Saudi Arabia is such an area."

The deal's centrepiece is the possible delivery of a plant to produce tank and howitzer shells to Riyadh. The project would be handled by two West German companies, Rheinmetall of Düsseldorf and Thyssen Rhein Stahl Technik, a subsidiary of the Thyssen steel group.

News of the negotiations, and the authorisation given by Bonn for the two companies to submit tenders, comes after Israel's apparent success in securing the arms deal for all, long-standing plans for West Germany to supply Saudi Arabia with sophisticated Leopard 2 battle tanks.

Commission gives Ecu 25m to tackle poverty

BY QUENTIN PEEL IN BRUSSELS

THE EUROPEAN Commission yesterday announced an Ecu 25 million programme to tackle poverty in the EEC, with the largest number of projects in the aid of the poorest.

The aim of the programme is to help particular groups who are in the net of national social security programmes, and victims of the "new poverty" — the long-term unemployed, single-parent families, refugees

and immigrants.

Among the UK schemes being supported are projects to help second-generation immigrants in Bristol and London, lone-parent and young unemployed in Wales and Northern Ireland, old-age pensioners in Stoke-on-Trent and Lancashire, and single-parent families in London, Bolton and Bristol.

Anti-nuclear group wins Nobel prize for peace

By Kevin Dore, Nordic Correspondent, in Stockholm

THE 1985 Nobel Peace Prize has been awarded to the International Physicians for the Prevention of Nuclear War (IPPNW), the Norwegian Nobel Committee announced yesterday.

The two founder and co-presidents of the organisation, Prof Bernard Lown of the U.S. and Prof Yevgeny Chazov of the Soviet Union, have been invited to Oslo to receive the Swift 1.5m prize jointly on December 10.

The Norwegian Nobel committee said in its citation that IPPNW, informally known as Doctors Against Nuclear War, had "performed a considerable service in mankind by spreading authoritative information and by creating awareness of the catastrophic consequences of atomic warfare."

IPPNW was formed in 1980 after an exchange of letters between Prof Lown and Prof Chazov led to a first meeting in Geneva.

The organisation has its headquarters in Boston, European headquarters in London and some 135,000 members in 41 countries.

The Nobel committee said it believed its work had contributed to an increase in the pressure of public opinion to the proliferation of atomic weapons and to a redefining of priorities away from military spending and towards health and other humanitarian issues.

The committee is clearly aware of the role the prize plays in drawing attention to the issue of nuclear disarmament only weeks before the U.S. President Ronald Reagan and Mr Mikhail Gorbachev, the Soviet leader, are due to hold their summit meeting in Geneva.

Gandhi greets Sri Lanka peace deal

BY JOHN ELLIOTT IN NEW DELHI

INDIA HAS successfully persuaded the Sri Lankan Government and leaders of the island's Tamil extremists to introduce a new ceasefire, with jointly agreed monitoring procedures, after several weeks of renewed violence and security forces.

The agreement was welcomed yesterday by Mr Rajiv Gandhi, India's Prime Minister, as a "key factor before we go further." He will discuss possible renewed negotiations on a permanent settlement with President Junius Jayawardene of Sri Lanka at the Commonwealth Heads of Government meeting in the Bahamas next week.

Mr Gandhi also intends to use the Commonwealth meeting

and a subsequent visit to the United Nations to argue strongly against Pakistan being helped to develop nuclear weapons.

He said yesterday that India would have to "consider" its security if Pakistan went ahead with a bomb, hinting that India might revive its own nuclear weapons programme.

Mr Gandhi added that there was "no question of allowing New Delhi or any other Indian city in the country becoming a Hiroshima or Nagasaki."

Mr Gandhi also dismissed reports by the U.S. columnist, Mr Jack Anderson, who visited New Delhi a week ago, that India was developing a hydrogen bomb. India had no such programme, he said.

The ceasefire agreement for Sri Lanka was announced yesterday by Mr Romesh Bhandari, India's leading diplomat and Foreign Secretary. It follows the collapse of peace talks two months ago amid renewed violence on the island.

"The ceasefire is on and the monitoring group is there to see it is maintained," he declared.

Mr Gandhi yesterday also turned on industrialists who are complaining about increased foreign competition as a result of his liberalised economic policies.

In his most outspoken remarks so far on the subject, he said that the record of private industry in developing technology was "pathetic." It

had neither developed its own technology, nor had it imported the technology.

He also condemned as "rubbish" scientific research which "develops products easily available in common markets abroad."

The Agriculture Ministry announced yesterday that, despite drought conditions in some states, the country was expected to achieve its targeted 160m tonnes of food grains production this year.

The Finance Ministry is also expecting that increased tax returns will substantially reduce its budget deficit for 1985-86 below the forecast of Rs 33.5bn (£2.2bn).

Austrian report attacks plan for power plant dam

BY PATRICK BLUM IN VIENNA

AUSTRIA'S controversial plans to build a power plant and dam at Hainburg, near the Czechoslovak border, suffered a new setback yesterday when a report issued by a Government-sponsored report argued against the plan.

The report was prepared by an ecology commission set up earlier this year under the auspices of the Health and Environment Ministry after surprisingly bitter clashes last autumn between police and environmentalists opposed to the project on the grounds that it would destroy one of Europe's last primeval forests.

It argues that the originally

planned project would be detrimental to the environment and suggests instead several alternatives including building a large plant just outside and east of Vienna, another large plant at Walsfirth near the Czechoslovak border which would be built jointly with Czechoslovakia or a series of up to four smaller plants between Vienna and Hainburg.

The commission's report is not binding on the Government.

With Presidential elections coming up next year and a general election the following year at the latest, the Government is unwilling to stir up further protests.

Finnish Communist Party set to expel minority

BY OLLI VIRTANEN IN HELSINKI

THIS WEEKEND will probably mark the final chapter for a united Finnish Communist Party.

The party's central committee, convening in Helsinki tomorrow, is likely to expel the eight minority-controlled district organisations who have refused to conform to the majority's policy.

Finland's Communists have spoken with two voices since 1968, the year of the occupation of Czechoslovakia. The more pragmatic majority now holds 15 seats in the parliament of 200 while the pro-Soviet minority has 10 MPs.

In recent months, the

majority-controlled party leadership have made several threats to expel the dissenters if they refuse to dismantle their parallel organisations and stop publishing their own newspaper. Tomorrow they will put the threats into effect.

About a week ago, the Soviet Union cancelled a publishing agreement with a publishing house owned by the majority of the Finnish Communist Party. The deal was given to a minority-controlled publishing house.

Moscow's action is seen as direct moral and financial support for the minority.

Paul Cheeseright assesses French and Flemish opposition Belgian coalition faces stiff poll test

BELGIUM tomorrow delivers a verdict on the performance of the country's longest running Government for 20 years.

Over 6m voters will go to the polls to elect a new Parliament and new provincial executives. The centre-right coalition of Mr Wilfried Martens, composed of Christian Democrats and Liberals from both sides of Belgium's Flemish-French internal linguistic border, is seeking a mandate for a programme of continued economic restraint.

It is opposed by two Socialist parties — one Flemish and one French — which seek selective reflation of the economy but which have sharp differences over security policy. The Flemish seek the removal of cruise missiles deployed in Belgium while the French favour removal within the context of more general disarmament.

The coalition is also opposed by the Greens and regional parties whose main aim is to seek more autonomy and power either for Flanders or French-speaking Wallonia.



Wilfried Martens... question of security could unseat him parties whose main aim is to seek more autonomy and power either for Flanders or French-speaking Wallonia.

Deputies, the coalition held 113 of 212 seats. Opinion polls, heavily qualified by the number of undecided voters, have suggested that the coalition may fail to hold its majority.

If that proves the case, protracted negotiations between the parties will be necessary to form a new government, presumably to bring into power one or both of the Socialist parties.

Even if the coalition maintains its majority, negotiations on the terms of maintenance of the present government would be difficult: the two Christian Democrat parties have been sharply at odds over whether control of education should be handed over to the regions.

The coalition had originally intended to see out its full term, a rare phenomenon in Belgium — and so to the polls in December. But a bitter squabble over whether the Minister of the Interior should

resign over the handling of the Hersel football tragedy of last spring led in July to a Liberal move to withdraw from the coalition. This caused the date of the election to be advanced.

Since then the parties of the coalition have been jockeying for position, and the last days of the Government were marked by inability to handle anything but routine business.

Before then, the coalition had succeeded in redressing the balance of payments, reducing inflation and restoring a measure of corporate competitiveness but at the price of 13.5 per cent unemployment and a fall in consumer purchasing power.

Voters will go to the polls after a lacklustre election campaign. The system is strictly proportional, and Belgium is one of the four countries in Europe where voting is obligatory. The other three are Greece, Italy and Luxembourg.

U.S. car boom pushes retail sales up 2.7%

By Nancy Dunne in Washington

THE U.S. car buying boom last month, powered by lower prices and discount financing, pushed retail sales up by 2.7 per cent and helped drive wholesale prices down 0.5 per cent.

It was the third decline for monthly prices in the past four months, and pushed the annual wholesale inflation rate into negative figures, -0.1 per cent, for the first time since January.

A 0.3 per cent drop in food prices contributed along with a 3.8 per cent decline in the cost of cars and a 2 per cent drop in the price of light trucks.

September was the strongest month for car sales in four years, and the strongest for all retail sales since 1981's 3.1 per cent surge. However, Mr Malcolm Baldrige, Commerce Secretary, said he sees slower growth ahead for consumer spending because current savings rates are low.

Some analysts believe, the incentives which brought consumers on the move.

Meanwhile, the Business Council has predicted that the U.S. economy, plagued by the trade deficit, will "muddle through" this year and next, neither sliding into recession nor showing strong growth.

Real GNP will grow 2.1 per cent from the fourth quarter of last year to the fourth quarter of this year, and inflation, adjusted for growth, will be 2.5 per cent next year, the council said.

The best news for the economy this week was the Senate's passage on Thursday night of legislation raising the debt ceiling from \$282 trillion (million million) along with an amendment to phase out the budget deficit in five years.

While the House Democrats are bound to change the procedures in the Senate Bill, analysts believe some compromise will be reached on deficit reduction.

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OVERSEAS NEWS

China tells Abe trade imbalance must be halted

BY OUR PEKING CORRESPONDENT

THE CHINESE leadership told Japan yesterday that Peking could not accept another large trade deficit next year and sought assurances that there would be no revival of Japanese militarism.

According to Japanese officials, Deng Xiaoping, the Chinese leader, told Mr Abe, the Japanese Foreign Minister, who arrived in Peking yesterday for extensive talks, that another big deficit would face China with the prospect of debts on a Latin American scale. Wu Xueqian, the Chinese Foreign Minister, called on Japan to honour its promise not to become a major military power again.

Japanese officials said that Mr Abe gave Wu this assurance, but the exchanges highlighted the fact that Mr Abe has arrived in Peking at an awkward time for the inauguration of what is intended to be an annual event to strengthen relations between the two countries.

China's trade deficit with Japan has risen from \$1.25bn (\$888m) in 1984 to \$2.84bn in the first half of this year, and Japanese officials said that Deng's remarks were understood to mean Japan was expected to balance its trade with China next year. China apparently plans to strictly control imports of Japanese electrical appliances and motor vehicles and is seeking to maintain exports of oil and coal to Japan.

Mr Abe is understood to have replied that it might be difficult to sustain these imports but that Japan would "make efforts at least to maintain the status quo."

Both sides have a long list of trade complaints against each other. The Japanese are concerned by delays in contract payments, restrictive technology import regulations and tighter control over imports generally. The Chinese are perturbed by Japanese exports of allegedly defective goods and the apparent reluctance of Japanese companies to export much-needed high-technology, in addition to the hefty trade surplus in Japan's favour.

Fears among some Chinese over a revival of Japanese militarism have been shown publicly in recent weeks, with several anti-Japanese protests in the wake of lavish celebrations to mark the 40th anniversary of the end of World War Two—what is known in China as "the anti-Japanese war."

For some Chinese old enough to have experienced the brutal Japanese occupation, relations



Shintaro Abe—under pressure

between the two countries have become uncomfortably close, and, for them, the Japanese will always be Ribben-Gui-Japanese Devils.

For a majority, however, time has been a great healer, and the material benefits of developing a closer relationship are widely seen. Japan is China's prime trading partner, and there are almost daily diplomatic and cultural crossings of the waters between Peking and Tokyo.

Nevertheless, political observers in the Chinese capital stress the ambivalence of Chinese regard for Japan, with its strong undercurrent of anti-Japanese sentiment. Much is left unsaid, but the Chinese are sensitive, one Western diplomat pointed out.

The war anniversary fanfare, not unexpectedly, drew some of that latent bitterness to the surface. For instance, at the height of the anniversary, the Chinese news media carried daily accounts of Chinese heroism in the face of the "Japanese invaders."

The emotional subject of the recent visit by Mr Yasuhiro Nakasone, the Japanese Prime Minister, to Japan's Yankuni war shrine was raised by Vice-Premier Li Peng. Mr Nakasone's pilgrimage particularly angered Chinese officials at the time and prompted a public outcry by Peking University students, who staged a protest march against "Japanese militarism" and condemned the so-called "invasion" by Japanese goods of China's markets.

Mr George Bush, the U.S. Vice-President, left for China yesterday for an official visit, Reuters reports from Washington. He is due to arrive in

ANC meets white opposition leader

By Patti Waldmeir in Lusaka

MR FREDERIK van Zyl Slabbert, leader of South Africa's white parliamentary opposition, Progressive Federal Party (PFP), arrived in Lusaka yesterday, and held an informal meeting with an official of the African National Congress, the leading nationalist movement fighting white rule.

The meeting is in advance of today's unprecedented joint talks on ways of ending Apartheid in South Africa.

The PFP delegation to the talks would include the Durban MP, Mr Peter Gastrow, the PFP foreign affairs spokesman Mr Colin Eglon, and another MP Alex Boraine.

The fact that the ANC delegation would not include the ANC president, Mr Oliver Tambo, who is currently out of the country, appeared to be a deliberate snub to Mr van Zyl Slabbert, whom the organisation has sharply criticised as too moderate. It was not known which ANC officials would meet the PFP group.

Asked what he hoped to achieve through the talks, believed to be the first between the PFP leader and the ANC, Mr van Zyl Slabbert said: "We're here to talk. That's already an achievement."

Mr van Zyl Slabbert has in the past publicly offered to act as a mediator between South Africa's President P. W. Botha and the ANC.

The PFP leader's participation in the talks, which it is understood were sought by him, appears to be an attempt to show that he is the one white leader in South Africa with enough credibility to talk to both moderate blacks, such as Chief Gatsha Buthelezi, and the more radical ANC.

It was understood in Lusaka, the ANC headquarters, that the main focus of the talks was likely to be an exchange of views on building a national convention.

Zambia devalues Kwacha by 56%

The Zambian currency, the kwacha, has been effectively devalued by 56 per cent as part of an economic recovery programme announced last week by Zambia's President Kenneth Kaunda.

A new rate was set for the kwacha yesterday at the first of the recently announced weekly foreign exchange auctions. The value of the kwacha dropped to 5.01 against the dollar from 2.22 against the dollar, the rate when foreign exchange transactions were suspended late last week.

Christopher Bobinski looks at the clash of wills focused on tomorrow's Polish election

Solidarity set to monitor poll boycott

ALL THIS week Solidarity activists have been busy searching for flats with windows looking out onto polling stations, as they prepare to block on the success of their call for a boycott of Poland's parliamentary elections on Sunday, the first since the rise in 1980 and subsequent fall of the independent union movement.

Plain-clothes police will be doing their best to harass those unofficial "counters" who have failed to find a set of net curtains to hide behind.

The next best thing to a well-placed window, the Solidarity leaders say, is to take your child or your dog for a walk or even kick a ball around with friends, near the polling station, to give a cover for counting.

So, one way or another, the polling stations will be bustling with activity. A large number of people will ignore the boycott call and there seems little reason to suppose that the results will differ much from last year's local government elections. According to the Government, 75 per cent voted then, although Solidarity put the figure at 10-15 per cent less.

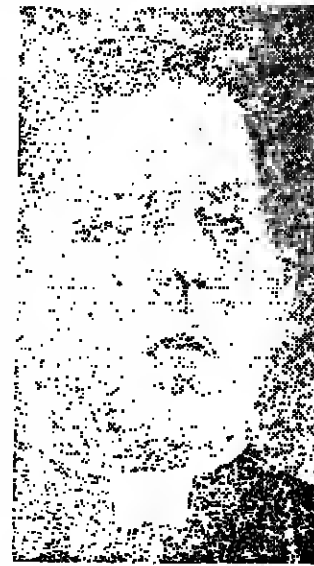
For many people, voting is a habit in elections which in effect leave the population with little choice. Fifty of the candidates, the top establishment figures, will go through unopposed on a "national" list. In an innovation, also introduced in Hungary this year, there will be two candidates for each of the other 410 parliamentary seats.

Every candidate, however, has been proposed by an officially sanctioned organisation and vetted by the bureaucracy to ensure that no outright government opponent gets through.

The last parliament did display a greater measure of independence than its predecessors and it is likely that the forthcoming one will produce its dissident fringe ready



Gen. Jaruzelski, Poland's military leader (left) has implicitly appealed to the country's priests and bishops to vote in Sunday's election. The powerful Catholic Church under Cardinal Jozef Glemp (right) has sought to steer a neutral course between Solidarity's call for a boycott and the Government's attendance plea.



to abstain or vote against government proposals.

The introduction of a choice, however small, is a concession to democratic aspirations, and party leaders have hinted that more far-reaching changes might be forthcoming at the next elections in four years.

For the foreseeable future, the political initiative is still very much in Gen Wojciech Jaruzelski's hands. For many people, boycotting the polls would thus be a risky and unnecessarily open demonstration of opposition.

Some fear that a failure to have their names ticked off the voters list could result in the loss of a passport for foreign travel, extra checks by the tax office, or the loss of a place for a child at university.

By calling for a boycott, Solidarity is appealing to its most determined supporters, but it doesn't stand much chance of getting support from those who are lukewarm, a former senior official observed. "If they had merely told

people to go to the polling stations and put empty envelopes without the ballot paper into the boxes, thereby abstaining anonymously, then the support would be very much greater."

The result is important for both sides. For the Government it will provide arguments to Eastern neighbours, to the Soviet leadership, and to the West, that Gen Jaruzelski is in control. The Government is keen to improve relations with the West albeit on its own terms.

For the Solidarity opposition, the turnout is a measure of its own support. Indeed, the counting effort itself will help to pinpoint its strongholds. During the local council elections last year, concrete Solidarity estimates of voting figures were available from the larger cities of Warsaw, Krakow, Wroclaw and Gdansk, but few other places.

This, and the voting pattern emerging even from the official figures, would confirm that Solidarity retains active

towards "social parasites," alcoholism or even putting an end to private practice by doctors, have reflected the concerns of the party activists.

Elderly people have also turned up in force, often making a case for an increase in their inflation-eroded pensions.

In his only election speech on Wednesday, Gen Jaruzelski sought to answer these concerns. Hitting the populist note with which the Government always seeks to defuse undercurrents of discontent among its own activists and in society at large, he promised a crackdown on speculation, on the work-shy, and on the spread of alcoholism. Pensioners, too, were promised a payment rise.

In a rare concession to Roman Catholic feeling, the general admitted that Poland has a Christian past and at present a Catholic majority. In the same breath he implicitly appealed to the priests and bishops to vote.

The powerful Catholic Church has sought to steer a neutral course between Solidarity's call for a boycott and the Government's urging attendance on the day. No statements either way have been forthcoming.

A boycott call might have been expected from the dissident St Stanislaw Church in Warsaw where the murdered priest, Father Popieluszko, worked. But even there, sermons have been studiously mild.

Cardinal Jozef Glemp, the Polish Primate, will be in Rome on polling day, and he has no doubt left it to the individual priests and bishops to make up their own minds whether they want to vote.

This is what his predecessor, Cardinal Stefan Wyszynski, did, and he himself in recent years has never voted. The example will be a powerful one for many clergy.

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THE AUSTRALIAN FOR LARGER

UK NEWS

Row looms at Lloyd's over tax settlement

BY JOHN MOORE, CITY CORRESPONDENT

A ROW is set to break out in the Lloyd's insurance market over an immediate settlement between the community and the Revenue over £100m of disputed tax liabilities.

It is believed a settlement plan will be presented by Mr Peter Miller, chairman of Lloyd's, at a meeting of underwriting agents in the market on Monday. Some underwriting members are believed to be concerned that they had not been consulted about any future settlement.

The settlement follows one of the most extensive investigations by the British tax authorities into the affairs of a big financial institution.

The settlement appears to centre on a once-and-for-all payment of up to £100m by the market's underwriting members for tax arrears.

There are worries that any "blanket" settlement will be difficult to implement on a market-wide basis in a way which ensures all underwriting members bear the correct amount of tax.

The Special Investigations Unit of the Inland Revenue has been probing the affairs of Lloyd's underwriters for more than a year in an effort to trace sums of money which should have been declared for tax purposes. The investigation followed the failure of negotiations between Lloyd's and the Revenue after the emergence of a series of irregularities in the market at the end of 1982.

Revenue officials have been studying various insurance arrangements at Lloyd's in an attempt to establish whether they have a proper insurance purpose or are designed to avoid tax.



Peter Miller: presenting the settlement plan

An ad-hoc committee of underwriters has been preparing to challenge the Revenue's interpretation of certain insurance contracts and is preparing a number of arrangements as test cases.

Last year Mr Miller told members that Lloyd's had rejected the prospect of a centrally negotiated settlement which involves payment out of Corporation of Lloyd's funds, and no such payment had been offered to the Revenue. But discussions between the Revenue and Lloyd's on a central basis at that time were continuing.

Some leading underwriters are understood to be annoyed that a settlement may be in view as they have always argued that they have a good case in fighting the Inland Revenue over the Revenue's interpretation of the various policies.

Beckett members offered plan to help meet losses

BY JOHN MOORE

TWENTY-SEVEN LLOYD'S underwriting members whose affairs were once managed by the troubled Richard Beckett Underwriting agency company have been offered a scheme which will help them meet their share of £130m of losses.

The members concerned are those with the Beckett agency who had taken out insurances to protect themselves against one-way losses and later found that the wordings on the policies prevented them from collecting insurance claims.

The affected members, who were hoping to collect on their policies to pay the insurance claims now falling on them, have been offered a plan which will provide them with equivalent financial help.

The plan was outlined yesterday in a letter sent by Additional Underwriting Agencies Number 3, the newly formed agency largely financed by Lloyd's, which is managing the affairs of the members of the Beckett agency.

In the scheme a bank guarantee is to be issued for up to £7m to cover the losses, which the underwriting members can use to show that they have enough assets to meet their liabilities.

The facility is designed solely to help underwriting members meet their liabilities arising from the underwriting accounts covered by the controversial policies.

Underwriting members have until October 30 to consider the proposals. If they do not accept the plan they could face suspension by Lloyd's.

Lloyd's has already suspended 199 members whose affairs were managed by the Beckett agency because they resisted passing the solvency test, which requires them to show they have enough assets to meet their liabilities.

Extensive legal action is in preparation by more than 300 members who are arguing that their affairs have been mismanaged in the past.

JWT wins BT's £14m advertising campaign

BRITISH TELECOM has transferred its £14m-a-year campaign to stimulate telephone calls to J. Walter Thompson, the advertising agency, in what is believed to be the biggest single contract since the year.

For 15 years the account had been with K&P Advertising, which was responsible for Buby and the catchy "It's for you-baby" campaigns. It is the largest single product campaign to be run in Britain and compares with the £7m campaign for Guinness.

The JWT campaign, to be run nationally from October 20, features animals such as

camels, rhinos and ostriches "talking" on the telephone. The slogan will be: "For all things great and small—make that call."

Stimulating telephone use, which is fairly low in Britain, is one of BT's main objectives. Residential customers in the U.S. make three times as many calls as those in the UK. BT calculated that if every residential subscriber made one extra trunk call a week its profits would rise by £30m a year.

BT has conducted detailed market research into telephone habits on both sides of the Atlantic.

Shortfall in building societies' inflow

By Clive Wolman

THE inflow of funds to the building societies from investors in September reached only £597m, which was £200m below their original target and £39m below last year's figure for September.

But figures released yesterday by the Building Societies' Association show that most of the shortfall from the societies' traditional sources was made up by the funds they raised from the whole-sale money markets. The net inflow from this source reached £258m in September.

This month there is likely to be a further increase in funds from this source as the building societies are allowed to tap the Eurobond market for the first time.

Mr Richard Weil, secretary general of the association, said yesterday that the figures were "mildly disappointing" but added that in the first week of this month there had been an upsurge in the inflow of funds from investors.

At the beginning of the year, the association set a target of £800m a month for the net inflow of funds from investors. But although this target has not been met since January, there has been no shortage of funds for mortgages.

This is partly because the societies have run down their more liquid assets, cutting their liquidity ratio from 18 per cent to a seasonally adjusted basis last December to 17.4 per cent in September.

In September the societies' net new mortgage lending (after the deduction of repayments) fell to £1,070m, the lowest figure since February.

Banker warns societies on lending

By Clive Wolman

BUILDING SOCIETIES were warned of racing into the unsecured money market by a senior banker yesterday.

"After deregulation, skill will need to be learnt, but at what cost? There is a clear case for caution here," he told a City conference on building societies, organised by Phillips & Drew, stockbrokers.

Mr Gille is responsible for UK retail banking. He warned societies the bands did not intend to evacuate their old markets. "The building societies would ignore this at their peril," he said.

He said that if societies had been bankers all human, they should be supervised by the Bank of England, like banks. They are the responsibility of the Chief Registrar of Friendly Societies, a Treasury official.

Mr Geoff Gray, a Phillips & Drew analyst, endorsed last week's warning by the registrar that societies would need more capital if they wanted to engage in riskier activities like unsecured lending.

Mr Peter Toeman, Phillips & Drew analyst, discussed whether societies would find it profitable to compete with the banks' cheque facilities and money transmission services.

Mr Roy Cox, Building Societies Association chairman, expected societies facing the most competitive pressures because of deregulation would be middle-ranking ones, the largest 20 outside the top 10. Most would have to seek merger partners.

Liverpool to shorten lay off

BY NICK BUNKER

LIVERPOOL'S Labour-led city council announced unexpectedly yesterday that it will shorten the anticipated three-month lay-off of its 31,000 employees to four weeks.

Mr Tony Byrne, Labour chairman of the council's finance committee, said that workers due to be dismissed on December 31 would now be assured of re-employment by January 28 next.

Labour councillors now think that a four-week lay-off will release enough money in unpaid wages to help bridge the £30m deficit in the 1985-86 budget.

Shortening the lay-off will also remove the obligation to spend up to £23m in redundancy payments, Mr Alfred Stocks, the city's chief executive, said.

Liverpool incurred its current risk of insolvency after refusing to abide by government spending targets while pursuing ambitious job-creation and house-building programmes.

The council has shortened the lay-off in the belief that it will get a £7m windfall from the recent Appeal Court decision to rule illegal the Government's system for fixing local authorities' spending targets.

Yesterday's announcement — contained in a motion passed without warning by Mr Byrne's committee — was accompanied by a letter to Mr Kenneth Baker,

MEMBERS of the ruling Labour group on Liverpool City Council yesterday failed to persuade a High Court judge that their appeal against the district auditor's £106,103 surcharge demand on them should be heard in Liverpool rather than London.

Miss Beverley Lang, for the 48 councillors, told Mr Justice Mann that they wanted to attend the hearing but about half were unemployed and could not afford the cost of travel, hotel accommodation and food

involved in a London court hearing. Rejecting the plea, Mr Justice Mann said that the appeal and one by surcharged Labour councillors from the London Borough of Lambeth were of such importance that they should come before a divisional court of the Queen's Bench Division, which sat only in London.

He directed that the two cases should come to court on January 13, the first day of the next legal term, and be heard either together or consecutively.

the Environment Secretary. It urged immediate return of £350m the council claims has been "stolen" in government cuts since 1979, in the light of the Appeal Court ruling.

Legal experts had advised the council that it could benefit from the ruling, which found in favour of applications by Bradford City Council and Nottinghamshire County Council.

The Lords is due to hear on Monday a government application for leave to appeal against the judgement. Mr Byrne, however, last night discounted the possibility of its being reversed.

Yesterday, a report from Mr Michael Reddington, Liverpool city treasurer, also said that he

could anticipate a major reduction in the £9.7m projected losses of the direct labour organisations, including engineers and building workers.

Merseyside officials of the Department of the Environment yesterday repeated warnings that Liverpool had created its own crisis and had to solve its difficulties without government help.

They said of yesterday's new move: "We will have to see if it stands up to scrutiny."

The plans to shorten the lay-off period came as a surprise to national union officials, due to meet tomorrow in London to look for ways of ending Liverpool's financial plight without layoffs.

Nissan UK claims £27m spent on dealer network

BY KENNETH GOOING, MOTOR INDUSTRY CORRESPONDENT

THE privately owned company which imports Nissan cars to Britain from Japan claims to have spent £27m so far this year to strengthen its dealer network.

This is in preparation for the launch next year of cars from the Japanese company's new British factory and the rapid increase in market share which should follow.

Nissan UK, the import company, expects its penetration of the new car market to rise from 6 per cent to 10 per cent in the short term.

Having decided that the current dealer network could not cope with the fast increase in sales, Nissan UK has identified several sites and has gone out to recruit salesmen for them. The company is offering low-cost finance so that the recruits should be able to set up as independent dealers.

"The dealer development scheme provides opportunities for senior executives with a proven record in the retail

motor trade to start their own businesses with substantial financial assistance from Nissan UK," the company points out.

So far, 24 dealerships have been included in the scheme. Nissan UK says that 19 of them are in areas where there was a gap in its regional coverage; two are additional outlets in areas where there already was some representation; and three cases existing dealers were replaced.

Included in the total were 15 "greenfield" sites, which Nissan UK says will be turned into "prestige, custom-designed dealership facilities."

Heavy spending on the scheme will continue for some time and Mr Octav Botnar, the founder and chairman, has said he would be willing to invest £100m if necessary.

In the year to end-July 1984, Nissan UK made a pre-tax profit of £49.7m on a turnover of £448.3m compared with a profit of £51.2m and sales of £384.4m in the preceding 12 months.

Bank of England to issue £800m tap stock

BY PHILIP STEPHENS

THE Bank of England yesterday announced a tender sale of £800m worth of gilt-edged securities in a move interpreted by City brokers as marking a revival of its funding programme after the slack pace of sales in the summer.

The £800m of 10 per cent Treasury stock maturing in 2001 will be offered for sale on Thursday at a minimum tender price of 98.25p per £100 of stock. At that price the stock yields 10.2 per cent a year.

The Bank's decision to offer a large new issue rather than a series of small tranches of

existing securities was interpreted in the gilt-edged market as signalling it would like to increase the pace of its sales.

Over the past two months net sales of stock have not matched the Government's public borrowing needs, helping to stimulate a sharp rise in sterling M3, the most closely watched measure of money supply.

To make the latest issue more attractive to investors the Bank said £40 per £100 of stock would be payable on application but the balance would not fall due until November 25.

Getty donation for war museum

BY ANTHONY THORNCROFT

MR PAUL GETTY has given £500,000 to the Imperial War Museum Redevelopment Appeal. The appeal is for £2.5m which, when achieved, will trigger off a contribution of £6.5m by the Government. This will enable the first stage of the museum's redevelopment programme, costing £9m to go

ahead.

The Appeal aims to provide extra gallery space, as well as a new educational centre for the museum, which has not expanded in the fifty years it has existed in Lambeth Road. With Mr Getty's donation, the Appeal passes the £1.5m mark.

Haringey strike over council chief's remarks

SEVERAL hundred employees of the London Borough of Haringey walked out and voted for a 24-hour strike yesterday in protest at comments by Mr Bernie Grant, the council's leader, about the Tottenham riot last weekend.

The council said, however, that the vast majority of its 13,000 staff had stayed at work and that the strike had made little impact on services.

Most of those who joined the protest were members of the Transport and General Workers' Union and the National Union of Public Employees. Man in the News, Page 6

New writ issued over JMB

A NEW writ has been issued on behalf of Johnson Matthey Bankers in its suit for damages against Arthur Young, the accountancy firm. The bank's previous writ was struck out last week because it failed to make a statement of claim before the deadline.

The Bank of England, which owns JMB, said yesterday the claim alleges breach of contract and/or negligence as auditors and accountants to JMB for the financial years 1981, 1982, 1983 and 1984.

Arthur Young, which has said it will contest the suit vigorously, had signed off on JMB's accounts a few months before its near collapse in September last year.

Four farm research centres to close

FOUR agricultural research centres are to close next April under the Government's spending cuts, it was disclosed yesterday.

They are the Agricultural Science Service Laboratories at Sharnlow Hall, Derby; Lamishen, Cardiff; Bangor, and the Central Veterinary Laboratory at Lasham, Edinburgh.

Managers' pay survey

IN THE report in the Financial Times on October 8 of the managers' pay survey by Reward Regional Surveys the table wrongly indicated that the median basic pay for managers in London was 5.8 per cent higher than the UK median of £11,320 a year. The figure should have been 13.9 per cent.

Strike at forging group set to hit aerospace sector

BY HELEN HAGUE, LABOUR STAFF

THE KEY aerospace products division of Sheffield Forgemasters, the troubled forgings and castings group set up by the British Steel Corporation and Johnson and Firth Brown, is expected to be at a standstill from tomorrow because of a dispute over pay, working conditions and union rights.

Workers from five of the company's divisions at the Atlas site voted yesterday by a two-thirds majority in a secret ballot to back an all-out strike over the grievances.

However, it was decided at the meeting that the 300 workers from the aerospace products division should stage a selective strike and that other workers would pay a £15 a week levy to alleviate hardship among strikers.

Aerospace products was chosen because of the crucial role it has in the company, including the manufacture of high-quality special steels. Forgemasters was, recently, restructured — a move which resulted in the formation of seven separate divisions.

The strike decision springs from a list of grievances including the company's abolition of the right for workers at the Atlas site to have a full-time union representative. Mr Jack Fillingworth, who previously held the post of shop stewards chairman, was among 520 people selected for redundancy earlier this year.

There has also been no pay rise from management this year after an early offer of a 13 rise was withdrawn.

Manual workers to talk on school supervision

BY DAVID BRINOLE, LABOUR STAFF

LEADERS of the manual council workers' unions indicated yesterday they were prepared to consider schemes making use of the Government's offer this week of payment for lunchtime supervision in schools.

The unions denied claims by the National Union of Teachers that they had agreed at a meeting of the TUC local government committee to block such schemes as long as the teachers' pay dispute went on — and possibly beyond.

The unions said they had yet to discuss the matter. A special meeting of the unions con-

cerned will be held on Monday. One union leader said the NUT could wait "until hell freezes over" for a commitment to block the supervision payments. Another said the NUT's premature claim of support had jeopardised its hopes of winning co-operation on the limiting of discussions on payments.

The row, which will do nothing to help the NUT at what is a crucial point in the long-running pay dispute, was begun by comments at a briefing for reporters on Thursday by Mr Doug McCauley, the union's deputy general secretary.

Pre-strike ballots 'will benefit Labour in election'

BY PHILIP BASSETT, LABOUR CORRESPONDENT

PRE-STRIKE ballots required by the Government's trade union legislation will help the Labour Party in the next general election by reducing trade union militancy's adverse political impact on it according to an academic on union ballots.

Mr Roger Under, co-author of a study on ballots and union democracy, said yesterday that this was one of several apparent paradoxes in the legislation, and in particular in the balloting requirements of the Trade Union Act 1984, which the Conservatives clearly had not foreseen when they introduced it.

Speaking at the launch of the Oxford Institute for Employee Relations, a research and teaching body based at Templeton College, Oxford, he said a political consensus seemed to be developing around the permanence of union ballots as a feature of industrial relations.

He said: "In the short term the Conservatives saw electoral advantages in the legislation. But in the longer term there will be substantial and political advantages to the Labour Party

in maintaining substantial parts of the legislation even if they amend the law."

His view coincides with that of some Labour Party leaders including Mr Neil Kinnock, party leader, who has even proposed establishment of a fund under Labour to meet halloing and similar union costs.

Mr Under is a former engineering union shop steward and now director of the new institute. He said the Act's pre-strike balloting requirement would reduce for the Labour Party the political sensitivity of trade union militancy because industrial action after a ballot would be legitimised by the vote beyond argument.

Much of his research into ballots was on their impact on the political commitment of union members. He said of the Act's points on this that balloting requirements would not produce more pro-Conservative union executive committees.

He said, however, that they might well produce executives more in tune with the existing Labour Party leadership than some union executives now.

Union fights plant closure

BY DAVID THOMAS, LABOUR STAFF

THE Transport and General Workers' Union is opposing the closure of a chemical plant in British Petroleum's Grange-moath complex, which could turn Britain into a net importer of the industrial chemical made there.

BP says that the plant has lost about £25m in the past four years and is too old to be modernised, especially since there are much larger phenol plants in Europe.

However, the TGWU commissioned an academic study which questions the need for the closure.

BP yesterday confirmed that the closure of the plant, which represents about a third of UK capacity, will lead to a short-fall of about a fifth in UK production compared with demand. BP said: "We haven't yet finalised how this shortfall will be made up."

The closure, scheduled for next month, will lead to a loss of 300 jobs. BP employs about 1,500 at the complex.

Some 1,000 members of the engineering union, the AUEW, and the white collar union, ASTMS, have already agreed to take voluntary redundancy, but so far members of the TGWU, the largest union involved, have not.

Mr George Robinson, TGWU secretary at Grangemoath, said yesterday the union feared that closure of the plant would be followed by further redundancies and big changes in working practices.

Peace plan for shipyards

By Helen Hague

SHOP STEWARDS at Swan Hunter's four Tyneside shipyards meet today to consider a formula which could end the seven week stoppage by 3,200 workers there.

Leaders of British Shipbuilders, and the shipbuilding negotiating committee of the Confederation of Shipbuilding and Engineering Unions, were at Acas, the conciliation service, in London for 16 hours to 3 am yesterday.

After the session Acas said understandings were reached which the unions accepted as the basis for a recommendation for work resumption. Stewards, to hear details of this today, are expected to make recommendations to a mass meeting early next week.

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Christopher Parkes looks at the plight facing subcontractors in the construction industry

Plant hire companies look to the day when the earth moves

BRITAIN'S plant-hire industry may perhaps be forgiven for yielding to temptation.

Lured by lavish discounts from heavy equipment manufacturers and the half promise of better times as capital allowances are phased out by the end of next year, they have been spending heavily on cranes, bulldozers, earthmovers and diggers.

The trouble is that demand for digging, scraping, shoving and lifting stubbornly refuses to rise.

In theory the future seems quite bright. Large construction companies are expected to slim down their heavy equipment fleets and turn more to the hire industry as they lose the right to write off the entire cost of capital equipment in the first year.

They are also becoming increasingly cost-conscious as the big civil engineers especially are subcontracting more heavy work. All of this is leading to a shift which could increase plant hire's share of the market from the present level of about 25 per cent.

But the international services group and the country's biggest plant hire operator, is turning up to take advantage.

Its £63m bid earlier this week for G. W. Sparrow & Sons, a crane operator in the cranes business, is by far the biggest in a series of consolidations which is transforming the industry.

If the takeover succeeds, the combined turnover of BET's plant hire operation and Sparrow would top £115m on last year's figures compared with the £51m sales notched up by Hadden-Stuart, the second biggest operator in the land.

BET is aiming at one of the most troubled sectors. The £110m-a-year crane hire business suffers from a wide range of afflictions.

The large contracts where big cranes are most used are hard to find, especially since Saudi Arabia and other oil nations called a virtual halt to development projects.

Even when work is found contractors are often faced with a dilemma when the job is done. Sparrow recently brought back a giant crane from a site in New Zealand but increas-

ingly at the end of such long-haul operations companies try to sell their equipment rather than face the charges for shipping it back into the flat domestic market.

The crane sector has also been distorted by recent rapid technological advances. As machines have grown bigger, more powerful and more flexible, hirers have leap-frogged over one another to stay in the technological front line and he best placed to win any contracts which come up.

Undeterred by prices running into millions of pounds for thousands of pounds, they have invested heavily in an already overpopulated market.

"All the crane boys want to be in front with the most advanced equipment," says Miss Catherine Stratton of Greene and Co. the brokers.

But we are already heavily overpopulated with cranes at the heavy end in particular, and there is a very limited amount of work."

The result is a growing collection of relatively new but technically obsolete equipment cluttering up the hire com-

UK PLANT HIRE MARKET LEADERS

1984 figures in £m	Turnover	Pre-tax profit
BET Plant Services	90.34	4.67
Hadden Stuart	50.87	4.24
G. W. Sparrow	24.95	1.35
Vibroplant	17.74	1.84
Harvey Plant	14.48	1.08
Scott Greenham	10.67	1.45

panies' yards. A crane normally has a life of about 15 years.

Apart from the cost of the equipment, companies must maintain expensive teams of operators. Crane drivers are the elite of the workforce, paid handsomely for working in difficult and often dangerous conditions. They also have to be paid when they are not at the controls.

In today's market, Miss Stratton points out, a plant hirer can count himself lucky if his heaviest cranes are working six months out of 12.

Competition for contracts has depressed crane hire charges so badly that industry experts say few in the business are operating at economic levels. The

intensity of the struggle for jobs is partly attributable to the fact that since no big construction contractors own heavy cranes all business falls to the plant hire companies.

The consensus is that the sector needs to shed between 15 and 25 per cent of its capacity to be able to start making acceptable profits.

BET has declared that one of its prime aims in the bid for Sparrow is to cancel duplicated costs by reducing the target's crane fleet.

THE CONSERVATIVES AT BLACKPOOL

REPORTS BY IVOR OWEN AND LISA WOOD. PICTURES BY ASHLEY ASHWOOD

Thatcher demands people's crusade against violence on British streets

A "good neighbours" crusade against violence on the streets of Britain was called for by Mrs. Margaret Thatcher, the Prime Minister, when she wound up the Conservative conference at Blackpool yesterday.

Mrs. Thatcher refused to accept that the high level of unemployment justified a change in economic policy or provided an excuse for law-breaking. This was endorsed by an enthusiastic audience who were subjected to security screening before entering the hall.

They rounded off an eight-minute standing ovation by acknowledging Mrs. Thatcher as party leader by chanting "10 More Years".

Mrs. Thatcher weaved the excesses of the miners' strike and the encouragement given by left-wing extremists to those who defy the law and impugn the police into a blanket condemnation of the Labour Party and the "craven" attitude of its leader, Mr. Neil Kinnock.

Her only indication of being aware of the pressures being exerted by some leading members in the Conservative ranks for more expenditure to be provided for capital projects—articulated fresh by Mr. Peter Walker, the Energy Secretary, on the eve of her speech—was the blunt reiteration: "We will not rebate."

Mrs. Thatcher said other governments had deliberately created inflation in the hope of reducing unemployment and had always finished up with worse inflation and worse unemployment.

"You cannot build a secure future on dishonest money," she said.

Mrs. Thatcher carefully avoided identifying the politicians who she said, along with some pollsters, were suggesting that the British people would prefer more inflation and less unemployment.

"You cannot choose to have either inflation or unemployment. They are not alternatives."

She made her call for a community response to violence on the streets after accepting that people throughout the country were rightly concerned about security in their own homes.

"We utterly condemn anyone and everyone who takes part in riots in Britain," she said.

"Whoever these people are who riot, burn and murder—wherever they are organised by—there is no excuse, no justification whatsoever for such crime and vandalism."

To sustained applause, Mrs. Thatcher promised: "Those who take to the streets on the first available pretext, to fire, loot and plunder, will be subject to the full rigours of the criminal law."

Recalling that in Tottenham and Handsworth the police were subjected to a ball of bricks and petrol bombs, apparently ready to hand, she said one of the delegates at last week's Labour Party conference had been loudly applauded when he called the police "the enemy."

She maintained that the overwhelming majority of the British people regarded the police as friends, admired them and were deeply thankful for their courage and that of their families.

Mrs. Thatcher said it was not the police who created threats to public order—all too often, as had been seen only too tragically at Tottenham, they were its victims.

"Nor is it social conditions that generate violence. Yes, unemployment breeds frustration, but it is an insult to the unemployed to suggest that a man who does not have a job is likely to break the law."

Mrs. Thatcher emphasised that the overwhelming majority of British citizens—black or white, in or out of work, living in the suburbs or city centres—chose to respect the law and would have no truck with crime masquerading as social protest.

Promising that the Government would continue steadfastly to back the police, Mrs. Thatcher said: "If they need more men, more equipment, different equipment, they shall have them."

"We do not economise on protecting life and property. She also promised the Government would oppose politicians, national or local, who wanted to interfere in the operational independence of the police."

Underlining the role of neighbours, she said upholding the law could not be left to the police and the courts alone.

"We are all involved. We cannot pass by on the other side."

She said the hard left had been operating within the political system and conspiring

through union power or local government to break, defy and subvert the law.

"Because the Labour Party will not expect these people, a unique responsibility is placed on today's Conservative Party and Government."

"We have to conserve the rule of law itself, conserve it for people of all parties and of none."

She described this as the overriding duty of the party and said success would require the co-operation of every law-abiding citizen. No one could opt out.

Mrs. Thatcher was warmly applauded when she underlined the importance of the Government's achievement in withstanding the coal strike even though it had lasted over a year.

Though it was a strike conducted with violence and intimidation on the picket line and in the villages, Labour had supported it to the bitter end.

She asked: "What do you think would have happened if Mr. Scargill had won? I think the whole country knows the answer. Neil would have knelt."

She said Mr. Neil Kinnock, the Labour leader, had not shown courage in making a speech at Bournemouth last week attacking Mr. Arthur Scargill, the NUM president, long after the event.

To a roar of approval she said: "Courage is what you show in the heat of the battle—not at the post-mortem."

Real courage had been shown by the working miners, the working lorry drivers and the working steelmen and the working dockers—the very people the Labour Party disowned.

"But we Conservatives stood with them. The nation stood with us, and a major strike called without a ballot of its members failed."

"It was a notable victory for a free, law-abiding people and their freely elected democratic government."

Mrs. Thatcher also rebuked the teachers who went on strike and exposed their pupils to risk. She said the pay scales on offer to the teachers would mean that in November next year a new graduate could earn £7,500 a year while the head of a big secondary school would be entitled to more than £24,000 a year—and there would be much better promotion opportunities in between.

This was not only a fair deal for the teachers but it would introduce a salary system designed to reward the better ones and to spell out teachers' duties clearly so that all the arguments could be left behind.

Appealing for an early end to the strike she said: "Teachers should lead by example—and this is a bad one."

She said that Labour's policy on the trade unions would lead to the "harmless of the block vote" having their feudal powers restored.

Labour policies, she said, would result in the pension and insurance fund money of some 12m people being hijacked and there would be the usual mish-mash of higher taxes and higher borrowing.

"Back to a high tax society. Back to the old days of inflation by social contract. Back to rule by Congress House when the Labour Party was a wholly-owned subsidiary of the unions."

Mrs. Thatcher said those who wanted the country to have a strong and sure defence could not rely on the Labour Party or the Social Democrats or the Liberals.

She said Mr. Gorbachev's recent offer to reduce the number of nuclear weapons held by the East and West was a recognition of the West's strength and cohesion. This had been responsible for bringing the Soviet Union back to the negotiating table.

"Our wish is to see substantial reductions in nuclear weapons, provided they are balanced and verifiable."

Expressing confidence in the way President Reagan will conduct his meeting with Mr. Gorbachev at the Geneva summit, she said: "The West could have no better or braver champion."

Mrs. Thatcher gave these objectives for the next decade—a Britain where three out of four families owned their home; where owning shares was as common as having a car and where families had a degree of independence their forefathers could only dream about.

She also envisaged a Britain where there was a new generation of enterprising, more people self-employed, more businesses and more jobs.

When asked in the interview about recent criticism of the presentation of government policies, Mr. Archer was quoted as replying: "It's been pathetic hasn't it? Wouldn't buy a used car from this government would you?"

He went on: "That's the problem. They are making damn good cars but they are not telling the people what they've achieved."

"Look at inflation, we can forget it. Old-age pensioners are now collecting their pensions without fear of 10 per cent inflation."

"We forget to tell people. We just tick it off as an achievement and we wallow behind the unemployment figures as our big failure."

The unemployment figures are not good and something had better be done about them by the next election."

Earlier in the article Mr. Archer was quoted as saying: "There is only one long-term priority and that's to win the general election. That's the only priority, every single thing we do has that in mind."

Under the Government's 1982 Derelict Land Act, local authorities are obliged to sell off their derelict land sites.

Mr. Waldegrave said that the Government had details of 120,000 acres of such public land, more than the area of the Isle of Wight. Most was in towns and 60 per cent was owned by councils, he said.

"So far we have got them to sell 20,000 acres and put another 6,000 back in use. It's not enough. If necessary we will get very much tougher."

Many houses, he added, could be built on such sites.

After the debate, Mr. Waldegrave confirmed that 50 orders to sell had recently been issued by the Department of the Environment to holders of public land and that he would like to see more.

He listed Conservative action on protecting the environment, including action on lead in petrol and acid rain. He said the public had the right, for example, to inspect registers, kept by water authorities, showing what was allowed to put water into a river.

"If you don't like what you discover, you can now object to it. That is the principle I want to extend. I believe you do have a right to know who is doing what to your environment. We are at work now to see what

Warning to unions over rights of members

ANY ATTEMPT by trade union leaders to return to the role of dictators will bring new legislative safeguards for their rank and file membership. Mr. Kenneth Clarke, the Paymaster General, assured the conference.

Making his debut as a Cabinet Minister and chief spokesman for the Department of Employment in the Commons, he confirmed that the Government would not be rushing into legislation to impose fresh curbs on the trade unions.

He insisted that the democratisation of the trade unions, through the statutory requirement for ballots, to determine decisions on strikes, and other issues would prove irreversible.

Mr. Clarke said: "If Scargill and Todd and their ilk think they can hold back the tide of democracy in their unions, they are as foolish as King Canute."

"They cannot, in our open and free society, the ballot box must be here to stay in trade union affairs."

He stressed that if the balloting provisions were undermined or side-stepped action would be taken to mobilise public opinion through the publication of green (consultative) white papers.

Mr. Clarke said: "If we have to, we will not shrink from introducing further legislation to protect and maintain the rights of individual trade unionists within their trade union movement."

He ignored a call from Mr. Alan Cunniff, chairman of the Conservative trade unionists, for "fine tuning" to rule out workplace ballots and require that they should all be conducted by post.

Mr. Clarke, who pointedly referred to Lord Young, the Employment Secretary, as his new colleague rather than his new boss, said the Government was happy to work reasonably with generally democratic trade unions responsive to their individual members.

He accepted a motion urging other areas in the trade union movement which could be made more democratic, but suggesting that no new measures be introduced to lessen individual employment protection.

He explained that the Government's intention of eroding the legal protection of individual workers so long as their retention did not damage new job opportunities.

He cited the promised legislation to reform wages councils—to be introduced in the parliamentary session opening next month—as an example of this approach.

For every young worker wages councils might in theory assist, he said, they actually priced several out of jobs.

Miss Lesley Fields, of the Transport and General Workers' Union, who opened the debate, argued that legislation was needed to prevent union officials being able to hold positions for life. To applause, she said: "We have already seen far too much of Scargill."

Mrs. Angela Bentham, from Preston, a member of the National Association of Local Government Officers, criticised the Government for denying trade union membership to staff at GCHQ, Cheltenham.

She said: "This Government cannot condone a situation where moderate people can say that they enjoy more personal liberty and individual freedom under a Labour Government than a Conservative Government."

However, the rank and file do not believe that the Government's basic strategy is wrong. They are still at the stage of blaming presentation and were clearly reassured by the aggressive approach of Mr. Tebbit the man of the week in his two speeches as party chairman. He symbolises, as does Mrs. Thatcher, the values of suburban striving, discipline and success which they share.

The mood has undoubtedly been affected by the heavy security and the constant, largely unspoken, memories of last year's dreadful events at Brighton. Despite an ability to adapt to such precautions, representatives have tended to



Mrs. Thatcher acknowledges the applause for her speech: from left, Sir Geoffrey Howe, Lord Whiteclaw, Norman Tebbit and Dennis Thatcher

Peter Riddell on the debates' subdued tone Party unites to achieve main ambition of limiting damage

IT HAS been a party managers' and a Chief Whip's conference. Apart from Mr. Peter Walker's annual raising of the flag of dissent on the fringe, everything has been orderly and restrained on the floor.

This is in marked contrast to the last mid-term conference in 1981. Then the conference was electrified by Mr. Edward Heath's intervention in the economic debate when he urged representatives not to clap.

"I might annoy your neighbours," that conference was held at the height of the revolt of the "wets" just after Mrs. Thatcher had purged her Cabinet of Sir Ian Gilmour, Mr. Mark Carlisle and Lord Soames and brought in Mr. Nigel Lawson, Mr. Norman Tebbit and Mr. Cecil Parkinson. There was even talk of a challenge to Mrs. Thatcher's leadership.

Now the "wets" are generally subdued. There has been no public challenge to the strategy, apart from Mr. Walker. Mr. Francis Pym has been silent this week and Sir Ian Gilmour, very much a voice on the outside. No-one would dream of standing against Mrs. Thatcher.

This week's placidity is not entirely due to the party managers. Skilful though they were in neutralising a potentially difficult debate on immigration, there has been no real desire to rock the boat.

Judging by the comments of representatives they are uneasy but at present no more. They realise from canvassing in constituencies that Mrs. Thatcher is unpopular with many previous supporters, the ordinary people in semi-detached houses whom Mr. Walker "scribed as the Tory hedonist."

However, the rank and file do not believe that the Government's basic strategy is wrong. They are still at the stage of blaming presentation and were clearly reassured by the aggressive approach of Mr. Tebbit the man of the week in his two speeches as party chairman. He symbolises, as does Mrs. Thatcher, the values of suburban striving, discipline and success which they share.

The mood has undoubtedly been affected by the heavy security and the constant, largely unspoken, memories of last year's dreadful events at Brighton. Despite an ability to adapt to such precautions, representatives have tended to

spend more time in the conference centre of the Winter Gardens to avoid repeated and lengthy security checks. This has hit the cafes and bars. In the evenings, there have been fewer representatives in the headquarters Imperial Hotel: as Mr. John Biffen commented in a television interview, the nature of conferences has been changed permanently and for the worse.

External events have also brought the party together. Mr. Neil Kinnock's successes in Bournemouth, the Tottenham riots, and the memoirs of Sarah Keys have all produced unity and a desire to hit back. While there were doubts about government policy after the inner-city riots of 1981, the greater violence now can be blamed on criminals and, indirectly, on the attitude of some local Labour leaders towards the police.

Yet the outward calm of the conference may have been misleading. The party activists are looking for a strong lead, a clearer vision of where the Government is going and this was the aim of Mrs. Thatcher's speech yesterday. The representatives could be more restless in a year's time if the party continues to do badly in local elections and parliamentary by-elections.

Mr. Walker's remarkably uncodified speech on Thursday evening was in part a recognition of this apprehension. He was looking ahead—first to the Cabinet arguments over the next month about public spending and secondly to the battle for the leadership of the Conservative Party after the next election.

The irritated response to the speech yesterday from Mr. Lawson showed that Mr. Walker, may face a difficult time in Cabinet in the next few weeks. Until Thursday evening Mr. Walker had had a poor conference, misreading the mood with his backward-looking speech bashing Mr. Scargill, Mr. Michael Heseltine, his Cabinet rival for the leadership of the traditional Tories, similarly did little to enhance his reputation.

The main gainer from the week was Mr. Douglas Hurd who showed considerable skill for a new Home Secretary in the law and order debate. He has established himself as a figure of some weight, similar perhaps

to Mr. Robert (now Lord) Carr in the 1970-74 Heath Administration.

Mr. Kenneth Clarke, newcomer to the Cabinet, also turned in solid performances. And Mr. Lawson for once, did well, showing that he cared about preparing for his conference speech and avoiding the considerable criticism which undoubtedly would have resulted if he had failed again. Mr. Leon Brittan, apparently somewhat to his surprise, was given a standing ovation not only for a good speech but perhaps as a sign of sympathy for his abrupt move in last month's reshuffle.

The main loser, or rather fall-guy, has been Mr. Jeffrey Archer, the new deputy party chairman. He is having to re-discover the hard way the difference between the aggressive salesmanship needed to promote his books and the subtler and more discreet talents of politics. His frank remarks last Sunday about some of the young unemployed getting off their backsides sent shudders through many senior Tories, even though privately many agreed with him.

Mr. Archer's main job will be to enthuse the faithful at which he is very good. But he knows he will have to be more careful in his public statements, although in an earlier interview with a Young Conservatives paper published yesterday he said that if he were sacked he could go back to a £1m job as a writer.

Overall, the main immediate test for the conference will be what happens in the opinion polls. The repeated challenge from ministers to Mr. Kinnock, to match his eloquent words with actions against the hard left, was a tribute to him. It showed that the Tories believe the Labour leader has made an impact. Of course the new view of the Tottenham riot could dent Labour's standing.

It is hard to see the Conservative conference as more than an exercise in damage limitation, with little positive impact after the successes of earlier party conferences this year, but that is better than the leadership had feared at one stage and they can look forward to the more normal conditions of Westminster, where they can try to set the agenda.

Iron Lady casts armour aside and professes heart of gold

MRS. THATCHER was waffled out of the conference hall yesterday in the strains of Land of Hope and Glory and the traditional tide of adulation from the rank and file.

At the end of a difficult week for the Conservatives, Harvey Thomas, the party's publicity guru who used to organise the Billy Graham religious crusades, heaped his approval at these moving scenes.

With much criticism of her strident style, the Iron Lady seemed to have laid aside some of her armour for this performance.

In an interview some years ago she compared herself with the strict nurse urging the patients to get out of bed and stretch their legs rather than expect gentle ministrations.

But in several passages yesterday—notably that of the plight of the unemployed, the voice dropped to a gentle cooing sound. Did she really understand the problems of those on the dole? Of course she did; their concerns occupied all her waking thoughts.

It seemed that the nurse had undergone a change of heart and was now only too eager to soothe the fevered brow and smooth the bed sheets to make the patient comfy.

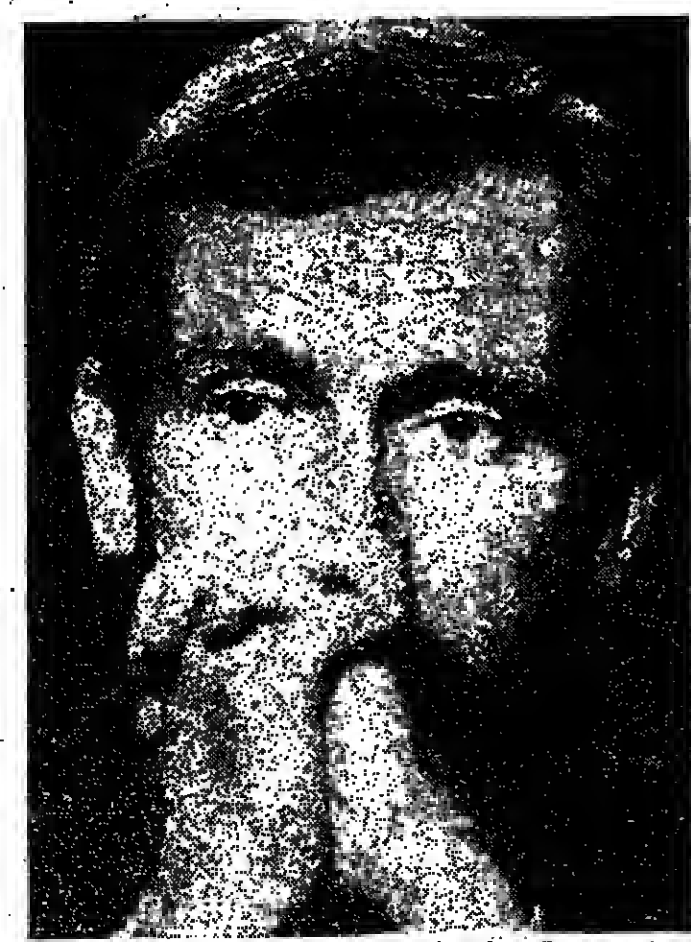
Like most other speeches of the week much of it was taken up by the obligatory attack on the Labour Party and patronising denigration of the Liberal/SDP Alliance.

It was these flashes of the old combative Maggie that drew the highest response from the party faithful. The publicity men are clearly up against a tough job in getting the new, softer Thatcher image accepted.

This year's carefully orchestrated build-up to the leader's speech itself. The customary financial appeal was being launched by none other than Jeffrey Archer, the new deputy chairman of the party. Unfortunately, his first conference appearance coincided with yet another indiscreet interview on his part.

In this time in the Young Conservatives newspaper The Crusader, in this he unburdened himself on the shortcomings in the presentation of Tory Party policy. "It's been pathetic, hasn't it? It has been non-existent. You would not buy a used car from this Government, would you?"

In vain did he protest in TV interviews that the following paragraph had not been quoted. This was to the effect that the party was producing damn good cars but not telling anyone about them.



Jeffrey Archer: in difficulties over "used car" comments.

As he said in the interview: "I am the senior volunteer in the party. So I can say what I like and if I am sacked then I'd go back to a film-a-year job as a writer."

In any case, this latest slip-up did not seem to have much effect on his reception in the hall. With all his old bounce he ruthlessly hijacked the conference audience by demanding that everyone produce a £5 note to donate to party funds and wave it above their heads. Thus shamed into acquiescence, they dutifully obeyed.

As an official of the Romford Conservative Association had once said in introducing him, Jeffrey has very "debatable qualities."

According to the Prime Minister, in yet another invidious comparison with Labour, "we in our party really rather like one another." Perhaps so but there did not seem to be any prominent "wets" present to join in the applause when she got down. There had, however, been a report that one of her chief critics within the party, the elusive Mr. Francis Pym, had been spotted lurking behind a pillar in the upper gallery rather like a phantom in the opera.

Mrs. Thatcher believed that it had been a "serious, friendly and responsible conference." Others have privately used the phrases bland and boring as a more accurate description.

Earlier yesterday morning, the week drifted to a quiet close with a debate in which speakers congratulated themselves on the party's record on trade union reform. They then glided gently on to a debate on the environment where there were many nostalgic descriptions of England's green and pleasant land.

According to the gentlemanly Sir Humphrey Atkins, president of the National Union which organises the conference, we can expect Mrs. Thatcher's tenancy of Number 10 to continue for many years to come.

He did not enlighten us on whether the same could be said of Jeffrey Archer's occupancy of the deputy chairmanship.

Outside in the streets things were less certain. A pro-Maggie crowd at the entrance to the hall sang Rule Britannia. A few streets away left-wing demonstrators marched to the chant of "Maggie out."

Archer hits at policy presentation

MR. JEFFREY ARCHER, the new deputy chairman of the Conservative Party, yesterday attacked the presentation of his party's policies in an interview in the latest issue of the Crusader, the journal of the Greater London Young Conservatives.

Mr. Archer was quoted as saying: "I'm unpaid. I am the senior volunteer in the party, so I can say what I like and if I am sacked then I'd go back to a film-a-year job as a writer."

When asked in the interview about recent criticism of the presentation of government policies, Mr. Archer was quoted as replying: "It's been pathetic hasn't it? Wouldn't buy a used car from this government would you?"

He went on: "That's the problem. They are making damn good cars but they are not telling the people what they've achieved."

"Look at inflation, we can forget it. Old-age pensioners are now collecting their pensions without fear of 10 per cent inflation."

"We forget to tell people. We just tick it off as an achievement and we wallow behind the unemployment figures as our big failure."

The unemployment figures are not good and something had better be done about them by the next election."

Earlier in the article Mr. Archer was quoted as saying: "There is only one long-term priority and that's to win the general election. That's the only priority, every single thing we do has that in mind."

Under the Government's 1982 Derelict Land Act, local authorities are obliged to sell off their derelict land sites.

Mr. Waldegrave said that the Government had details of 120,000 acres of such public land, more than the area of the Isle of Wight. Most was in towns and 60 per cent was owned by councils, he said.

"So far we have got them to sell 20,000 acres and put another 6,000 back in use. It's not enough. If necessary we will get very much tougher."

Many houses, he added, could be built on such sites.

After the debate, Mr. Waldegrave confirmed that 50 orders to sell had recently been issued by the Department of the Environment to holders of public land and that he would like to see more.

He listed Conservative action on protecting the environment, including action on lead in petrol and acid rain. He said the public had the right, for example, to inspect registers, kept by water authorities, showing what was allowed to put water into a river.

"If you don't like what you discover, you can now object to it. That is the principle I want to extend. I believe you do have a right to know who is doing what to your environment. We are at work now to see what

further steps we can take towards making this ideal a reality in low and practice and which does not make life impossible for industry."

Mr. Waldegrave spoke of the planning mistakes of the past with people now not being able to stand "the vandalism and violence on bleak staircases and concrete corridors."

"What we have to do is to

Pressure on councils to sell derelict land

THE GOVERNMENT is to take a tougher stance against local authorities which refuse to sell their derelict land sites.

Mr. William Waldegrave, the Environment Minister, announced the crackdown in his reply to the debate on the environment in which the Government was urged to improve the quality of life in urban and rural areas.

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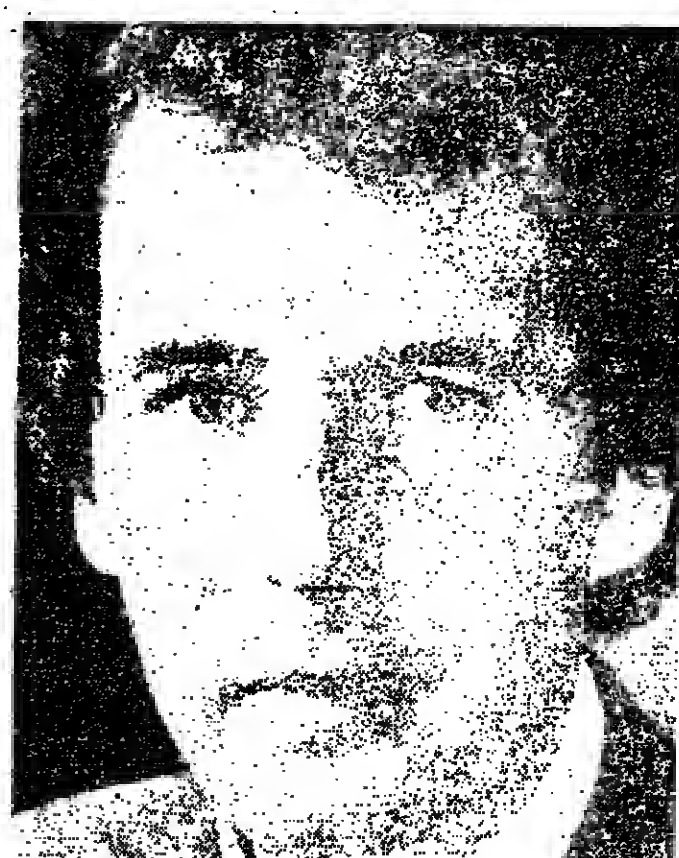
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William Waldegrave: listed Tory action on the environment.

show that if you put private money—and good design—and reality in low and practice and which does not make life impossible for industry."

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"What we have to do is to

was crazy to encourage farmers to cultivate moors and water meadows. "So now," he said "we are changing the balance a bit by getting European policy altered and by developing ourselves new ideas about how to help less-intensive farming."

The most vicious contribution from the floor was from Mr. Kevin Johnston (Monklands East) who talked about the problem of the homeless and the use of expensive temporary huts and breakfast accommodation. "I call upon the Environment Secretary," he said "to commission a report on how

John Smith



Lech Walesa, who was awarded the Nobel peace prize in 1983, and Mother Teresa who won it in 1979, with (centre) Bernard Lown, from the U.S., and Jergenij Talsanov, from the Soviet Union, leaders of the doctors against nuclear war campaign

The task of the Nobel judges

Troubled search for a prophet of peace

By Kevin Done, Nordic Correspondent, in Stockholm

TO CHOOSE the Organisation of International Physicians for Prevention of Nuclear War as the winner of the 1985 Nobel Peace Prize the five-member selection committee — working in absolute secrecy — first had to discard 88 other nominations ranging from Ronald Reagan to Bob Geldof, Winnie Mandela and Simon Wiesenthal.

The job would seem impossible. "In the modern world it can seem like a hopeless task to present a Peace Prize every year," admits Professor Jakob Sverdrup, secretary in the Norwegian Nobel Committee.

The very diversity of previous winners — they range from Henry Kissinger to Mother Teresa and from Andrei Sakharov to the International Labour Organisation — would appear to reflect the "tremendous difficulties of defining the very concept of peace, let alone of selecting those individuals or organisations seen to be the most fitting standard bearer of the cause."

The choice has often been controversial. When Henry Kissinger and Le Duc Tho won the 1973 prize for their part in ending the Vietnam War, two of the committee members resigned in protest, an alternative peace prize was instigated, and there were calls in the Norwegian Parliament for the whole committee to be dismissed.

Selecting a Nobel Peace laureate might appear from the outside to be a haphazard process at best, but in fact over more than 80 years certain definite traditions have evolved — not only for the selection of the winner, but also for the appointment of the selection committee itself.

The starting point is still the will drawn up by Alfred Nobel, who died in 1896.

Nobel, a Swedish scientist and businessman who made his fortune and created one of the world's first multinational corporations through his invention of dynamite, declared that his wealth — one of the largest

fortunes of the 19th century — was to be used to award five prizes to "those who, during the preceding year, shall have conferred the greatest benefit on mankind."

Three of the prizes were for science, physics, chemistry and medicine, while a fourth was for literature. The choice of peace as the subject for the fifth prize was far from obvious. Even today the name of Nobel is linked more readily with explosives and armaments — he also owned Bofors, the Swedish cannon-maker — than with the cause of peace.

The will states that the peace prize shall be awarded to the person "who shall have done the most or the best work for fraternity between nations, for the abolition or reduction of standing armies and for the holding and promotion of peace congresses."

From its very beginning the peace prize — the first award was made in 1901 to the founder of the Red Cross and the founder of the French Peace Organisation — was expanded to include humanitarian activities.

The concept of "fraternity between nations" has allowed the prize to go on several occasions to leading politicians or statesmen involved in the solving of specific conflicts. The controversies surrounding the award in Henry Kissinger and Le Duc (the latter is the only winner to have refused the

prize) and Menachem Begin and Anwar Sadat are still part of living memory.

In 1970, however, the more general fight against poverty and famine was assimilated into the concept of peace, when the prize went to Norman Borlaug of the International Maize and Wheat Improvement Center in Mexico City. Probably the most important new area the Nobel Committee has been involved in, however, is human rights.

Professor Sverdrup claims this development began in 1980 with the award of the prize to Albert Luthuli, president of the African National Congress in South Africa. It has been strengthened by the choice of laureates such as Martin Luther King, Andrei Sakharov, Adolfo Perez Esquivel, Lech Walesa and Desmond Tutu.

The other important strand in the committee's deliberations is disarmament, an issue taken directly from Nobel's will and his reference to the need for the reduction or abolition of standing armies. This year's award to the International Physicians for Prevention of Nuclear War, an East-West organisation established in 1980 in research the medical effects of atomic warfare, has made in the shadow of the forthcoming meeting between President Ronald Reagan and the Soviet leader Mr Mikhail Gorbachev. It reflects a clear wish by the Nobel Committee to help focus world attention

on the issue of nuclear disarmament.

But who are the people who make these sometimes idiosyncratic choices and what are their qualifications to judge the cause of world peace?

Again Nobel's will provides the starting point. He gave the task of appointing the selection committee to the Storting, the Norwegian Parliament.

In the early years of the award the Storting associated itself very closely with the prize. The five-member selection committee was usually made up of serving politicians and was often chaired by a serving Prime Minister or Foreign Minister.

Such a close connection began to prove a political embarrassment, however, as the prize began to be seen more and more as an expression of official Government policy. In 1936 Halvdan Koht, then Foreign Minister and member of the Nobel Committee, asked to be replaced in the selection procedure, a fact probably not unconnected with the candidature of Carl von Ossietzky, the German pacifist and prisoner in a Nazi concentration camp.

In 1937 the Storting passed a resolution forbidding members of the Government from sitting on the Nobel Committee. Since the controversies of the mid-1970s and the Kissinger award the Storting has distanced itself even further by avoiding altogether the selection of Members

of Parliament to the committee. The prize remains distinctly Norwegian and present committee members make no apology for that. "It is a western democratic view of world politics that is the guideline. We don't work in a vacuum. The world is seen through Nordic democratic glasses and these are not bad glasses," says Mr Egil Aarvik, the 73-year-old chairman of the committee and a former Minister of Social Affairs for the Christian Democrats.

The committee, though it no longer has any serving MPs or Government ministers, still reflects generally the political balance in the Storting. As well as Mr Aarvik, the committee includes two Labour Party members, Ms Gisla Anderson, an author and journalist, and Mr Olav Nordli, Labour Prime Minister until 1981.

The two remaining members are Professor Francis Sejersted, professor of history at Oslo University, nominated by the Conservatives, and Mr Gunnar Stalsett, a 30-year-old theologian, former chairman of the Centre Party and now the Geneva-based general secretary of the Lutheran World Federation.

The deliberations of the committee are a closely guarded secret. Only once did discussion come out in the open — in 1974 after the Kissinger award — and then the dissenting members took the consequences and resigned.

Mr Aarvik claims the "prestige the prize has means that the acts as a shield for some people, that they cannot be touched. Sometimes it is not enough, Martin Luther King was shot, but Bishop Tutu, they don't dare lay a hand on him. This is not a decisive factor in the choice of a winner, but it is clearly important."

Ms Anderson expresses a slightly more modest ambition. "I believe at least that we don't disturb the peace. You cannot say that about many people."

UK farming

Why the growers' lot is not a hoppy one

By John Cherrington

FOR MANY years, the small band of English hop-growers seemed to be the favoured few among farmers. Growing a high-value product in a protected market, they seemed more than any others to be able to dictate selling terms to their customers.

Not any more. Already battered by the effects of Britain's entry to the EEC in 1973 they have been further hit in the past couple of years by declining demand for their crop among brewers, and increasing cut-price imports from continental Europe.

It probably adds up to the worst crisis the hop industry has faced in at least 50 years, certainly worse than that in any other single agricultural sector in Britain. Production is down by 17 per cent in the past two years, and 47 growers have left the industry altogether since 1980, leaving the total at 335.

The hop plant, which is native to Europe, has been cultivated in Britain since the early 16th century — in South East England at first, spreading later to the West Midlands.

In essence, the plant is of value solely to brewers. The female hop flower contains resins and other essential oils which, when introduced into the brewing process, give beer its aroma and traditional bitterness.

At picking time every September, the hop gardens used to be a favoured destination for casual workers and their families from the cities to spend a working holiday in the open air.

The days of hand picking have long been superseded by the machine, and casual workers are few. But the remains of the hop-pickers' shacks can still be seen, and those who took part in the hop-picking still remember the rivalry and rustic excess which liberated the pickers from their drab lives in the slums of Birmingham and London's East End.

However, an intrinsic problem in hop-growing has always been the extremely variable yields from year to year and, as a consequence, unstable prices. Figures from the turn

of the century show that yields could vary by as much as 100 per cent from one year to another. Even then, imports — particularly from the U.S. and Germany — were a threat to British growers.

Although there was a reduction in average yield in the 1920s, production actually rose to remarkable heights because of the first ditch of mechanisation. Small, motorised implements were introduced into the garden to replace horses, which damaged the growing plants.

As a result, in 1922 the growers — a independent as could be any in farming — took advantage of the Agricultural

Marketing Board, acting as a single salesman, was able to call the tune.

But in 1973, when Britain joined the Common Market, the trouble started. It was not long before the EEC's attention was drawn to the farmers' cartel, along with the Northern Ireland Price-Maintenance Board, a cartel of butchers in the mid-1960s.

At the same time, the brewing industry was concentrating more and more on centralised units. In effect, the roles in the industry were reversed: the brewers now were laying down terms and conditions to a fragmented group of growers.

Some felt at them formed a cartel, too. English Hops, the remainder, with almost suicidal independence of spirit, opted to go it alone.

The brewers have several other advantages besides that of centralisation. Over the past 10 years there has been a dramatic switch from bitter beer to lagers. There are now no fewer than 100 breweries in the UK, but in nothing like the same quantities as for bitter.

In addition, growers have been victims of their own ethnicity. Some of the newer varieties of hop have 200 per cent more bitterness than the traditional strains.

As if that were not enough, English growers have increasingly had to do battle with imports over the last couple of years. Here again, some of the growers appear to have done themselves down by demanding a higher price in 1983 for hops to be delivered in 1985 than the brewers were prepared to pay. This prompted breweries to look to Europe for their supplies: they claim that English growers were asking about double the price that the German producers were prepared to accept.

Imports are also coming from behind the Iron Curtain and even from China, Poland, for instance, will sell at almost any price for the sake of earning foreign exchange.

It is estimated that a quarter of the hops now used in Britain are imported. And that proportion could grow significantly in coming years.



Changing the rates

From Councillor R. Clarke
Sir — Is it possible to reform the rating system so as to reduce its defects while at the same time help towards the solution of some other problems? It seems to me that a change in the rating of unimproved site values of all land has such an effect.

At present we rate buildings and improvements and derate empty land — in effect we tax development. A rate on unimproved land would bring in much land at present derated thus increasing the rating base while at the same time encouraging development by making it uneconomic to hold land long out of use. It would have a stimulating effect on the derelict areas of many of our cities and give a major boost in employment.

As regards fairness since the unimproved value of a site is due precisely to such factors as access (highways), security (police and fire services), utilities (water, sewerage, etc) and the availability of many other services e.g. education, the level of rates would depend directly on the level of services provided to the site in question. Thus the provision of services and the payment for them would be directly connected — what could be fairer than that?

Is it too much to ask that this relatively simple change in the rating system be examined constructively before we get involved in such destructive ideas as a poll tax or further income or sales taxes?

Richard Clarke,
Sunflower Cottage,
Little London,
Lechlade, Glos.

Disclosure of commission
From Mr A. Wieler
Sir — By coincidence, two documents arrived on my desk the other day, and I would like to point out the way in which they are connected.

The Unit Trust Association wrote in my company's unit trust management subsidiary, unhappy about the White Paper proposals requiring disclosure of commissions paid to independent intermediaries.

The Centre for Policy Studies sent me Philip Chappell and Nigel Vinson's special pre-conference release recommending personal investment pools (PIPs) to encourage individuals to participate directly in the creation of wealth, so that they understand the benefits which wealth brings to society at large. "Ownership second-hand is a sorry substitute."

Surprisingly, Chappell and Vinson have omitted to say that the multitude of so-called "investment advisers" will prefer to recommend a package of institutional investments,

Letters to the Editor

because they can earn higher commissions by doing so. Investment management for individual portfolios is available through several members of the Stock Exchange who can share commissions with a registered agent.

The members of the Association of Independent Investment Managers are another obvious source of personal investment management, for those who do not want to take responsibility for their own portfolios. The fees charged by members of AIIM are so low, however, that no agent would recommend them. It would take more than five years for the agent to earn as much as he could earn straight-away by persuading his client to purchase a unit trust, or another packaged scheme. The fact that the client may have only 85 per cent of his money invested and 5 per cent dissipated in commissions is not declared.

While high commissions remain available to agents, who are not required to declare them to their clients, it is difficult to believe that the agents will welcome tax concessions for direct investment in equities. I am convinced, however, that the Chappell-Vinson paper contains excellent ingredients for a successful capitalist economy.

At present, a mere 6 per cent of UK residents have direct personal shareholdings compared to 25 per cent in the U.S. and 35 per cent in Hong Kong. We know which are the more successful economies.

Anthony Wieler,
19 Bidegate Street,
off Bishopsgate, E1.

Dodging the car tax
From Mr P. Goode
Sir — There is a simple solution to the difficulty anticipated by Mr Critchley (Dodging the car tax, October 8).

Instead of being required to display the present tax disc, motorists would simply display an "MoT" disc. This should then please the insurance companies who could then, equally simply, refuse to issue insurance without presentation of an "MoT" document.

Alternatively the reverse procedure of displaying a "certificate of insurance" disc (without which an "MoT" would be refused) could be adopted.

The net cost to the population as a whole would be no different, it would just be distributed more fairly — where the costs lie.

Thus there are no real problems in doing away with the existing system — only imaginary ones, thought up for reasons of self-interest, by those anxious to preserve the status quo.

P. J. Goode,
22, Croft Gardens,
Rushlip, Middx.

Facility for small investors

From Mr K. Tunstall
Sir — A facility for small investors not mentioned in Lucy Kellaway's article on tenders (October 5) is the "striking-price" application under which an investor elects to pay whatever price is eventually set. Unfortunately not all tenders provide this facility, but greater availability could encourage small investors as it overcomes the difficulty of pricing and precludes the risks associated with multiple applications and tendering high. The advantage of the tender method — that a true price can be freely established — should benefit all parties (vendor, advisor and investor) except perhaps the stag.

Keith Tunstall,
38, Grove Street,
Leamington Spa, Warwick.

Nothing to do with the City
From Mr A. Alexander
Sir — I hope that many citizens or ratepayers of the City of London will join me in opposing the proposal that the City should take over the administration of Hampstead Heath. It is true that as a consequence of the City's laudable 19th century effort to create a green belt around London it administers such public open spaces as Epping Forest, Highgate Woods and Queens Park and it does so with reasonable competence in accord with Acts of Parliament.

But this is not in accord with any Act of Parliament, least of all one sponsored by itself. Hampstead Heath and its preservation has nothing to do with the present City. It seems to me that the Common Council has enough and more serious matters to consider — to administer.

Indeed there is a strong case for rethinking the City's involvement with its present public open spaces.

I hope that this will be a matter for serious discussion at this year's Common Council elections. Why should the City have anything to do with a

political decision for which there is no case except that the Government cannot think of any other solution? No one else will thank the City.
A. M. K. Alexander,
19, Primrose Hill Road, NW3.

Money spent on marketing

From the Executive Director, British Information Technology Export Organisation
Sir — Britain's information technology industry has some important strengths but the ability to market its products, particularly overseas, is not one of them. Despite some notable exceptions, the industry is failing to exploit the commercial potential of many excellent products.

This is not the place to go into the reasons for this but the results are that import penetration increases and export market shares decrease. Depending upon the definition of information technology used the industry's trade deficit was £100m in 1980, is currently put at £2.3bn and is forecast to rise to £5bn by 1990. This, mark you, is the big growth industry of the age, the one whose products are increasingly permeating every aspect of life.

If the British IT industry fails to sell its products more strongly than at present it will effectively cease to exist. It must, therefore, receive far stronger Government help with marketing, not for the sake of the companies which will otherwise fail, but for the sake of the industry per se, but for the sake of the total economy of this country.

In the face of all the evidence it is difficult to conceive the reasoning behind the bland (and blind) application of rigid policies long outdated. Industry would applaud, and would gladly work with a Government which acknowledged the problem.

Rory Porter,
10-11, Bishops Court,
Old Bailey, EC4.

Litigation costs

From the Managing Director, Motorists Legal Protection
Sir — Thousands of businessmen have insurance cover for the legal costs incurred in a contractual or other commercial dispute, without realising it.

Such contracts are frequently arranged on a group basis by a trade association, and on an individual basis by an insurance broker.

The indemnity available is frequently high, £25,000 or more per dispute, and can be very material to the decision as to how best to defend a business's interests in a dispute. I would recommend any business man contemplating litigation to enquire whether he has relevant cover.

Alan Wood,
62-72, Victoria Street,
St Albans, Herts

A chance for workaholics to enjoy their day of rest.

The Business Programme

Returns Sunday 5.15 pm.

This week — behind the scenes in the takeover battle for Allied Lyons and a new experiment with cashless shopping for the people of Northampton.

Each week — a mixture of news, interviews and reports for people who take decisions or just like watching other people take them.

UK COMPANY NEWS

Aitken to buy Sentinel for £16.5m

BY CHARLES BATCHELOR

Aitken Hume, the fund management and banking group headed by the Aitken cousins, Timothy and Jonathan, is poised to buy the Sentinel Insurance Company, an unquoted life assurance company for £16.5m.

Aitken will finance the deal by the placing of about 11m shares worth £15m with a group of seven UK and overseas financial institutions and pay a further £1.5m in cash.

About 60 per cent of Sentinel's shares are held by accountants Price Waterhouse, acting as liquidators for the Israel-British Bank (London) which collapsed together with its Israeli parent company, the Israel-British Bank of Tel Aviv with a combined deficit of about £60m, in 1974.

The remaining shares in Sentinel are held largely by members of the Landy family, relatives of Mr Harry Landy, chairman of the Israel-British Bank at the time of its collapse and of Sentinel. The London arm of the bank was the only fully authorised UK bank to be allowed in 1974 by the Bank of



Mr Timothy Aitken, chief executive

England. Sentinel itself was never in difficulty but a large slice of its shares had been pledged to

secure lending by the Israeli-British Bank.

Sentinel had assets of £43.6m at March 31 1985 and received total gross premiums of £5.5m, including £1.13m of new premiums in that year. It has about 22,000 policyholders.

Gross investment income fell marginally to £205,000 from £209,000. After deducting management expenses of £48,000 and including £44,000 of the net increase in the value of investments (£98,000), Sentinel recorded pre-tax income of £302,000 compared with £253,000 the year before.

Aitken Hume has spent the past eight months in tortuous negotiations with the shareholders, including liquidators of the Israel-British Bank both in the UK and Israel. It hopes to resolve the final legal details within the next week or so.

Aitken Hume has been looking for a sizeable UK insurance company for some time to balance the U.S. bias in its business which arose when it acquired

Research Corporation, a U.S. fund management company, in October 1983.

It plans to launch unit-linked insurance policies tied in with its existing unit trust operation. The life assurance link should make for more long-term holders of its unit trusts, Aitken Hume believes.

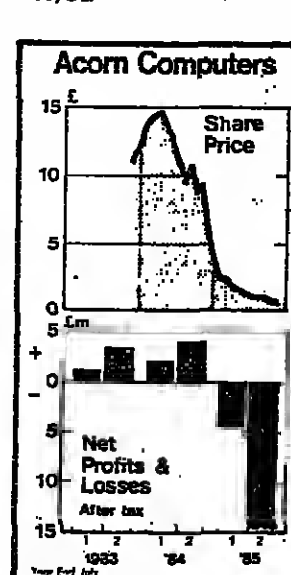
Aitken Hume has been recruiting new investment managers to improve the performance of its UK-based investment business. Sentinel is large enough to give a significant boost to this side of its operations, but because of its unusual share structure did not command the premiums being sought recently for other life assurance companies.

Aitken Hume's shares rose 17p to 164p yesterday. The company has arranged to place the shares needed to find the Sentinel purchase after the 50 per cent of the 17m rights issue which financed the National Securities deal was left with the underwriters.

Acorn £27m in red after write-offs

Acorn Computer Group, a one-time high flier on the USM, yesterday reported an attributable loss of £26.6m for the 1984/85 year with heavy write-offs taken both above and below the line.

In addition to the losses, Acorn is currently in dispute with HMI Customs and Excise over an assessment of a possible £2.6m under-payment of VAT in years prior to 1983/84.



This could lead to a qualification of Acorn's final audited accounts for the year in June 30 1985, but the company stresses that although in the early stages, the work carried out to date indicates that a significant reduction in the amount assessed is probable.

Acorn, which has seen its share price plummet since the latter part of 1984, was rescued this year by its creditors and Olivetti, the Italian company, which now holds nearly 80 per cent of the shares.

The 1984-85 result, struck after exceptional debts of £15.45m and extraordinary debts of £7.5m, is in stark contrast to the previous year when a taxable profit of £10.84m was earned. £6.08m was available for shareholders and a dividend was paid.

Turnover at £77.97m was £13.19m lower and produced an operating loss of £25.5m compared with a £10.36m profit. The loss was particularly affected by stock value reductions, cancellation of orders and allowances to customers costing £18.7m all told.

Another exceptional, unexplained U.S. trading losses of £1.08m, while the overall figure was, to some extent, contracted by £5.41m of waivers from creditors and £1.62m of royalties.

The pre-tax result, a loss of £22.21m, also included £5.5m of interest charges, a swing of over £3m on the previous year's £474,000 credit. Tax credits were £3.04m, leaving a net loss of £19.16m before extraordinary items comprised costs arising from the ceasing of direct sales operations in the U.S. and the withdrawal from active marketing in Germany.

Acorn has decided to change its year end to December 31; the next financial period will enter the six months to end-December 1985.

See Lex

Institutions left with 35% of Blacks Leisure's shares

BY FRANK KANE

FINANCIAL institutions have ended up with a large slice of the equity of Blacks Leisure, the troubled chain of camping and sports equipment shops, following the rescue rights issue which raised around £4m.

The group, formerly Greenfield Blacks, yesterday announced that only 5.3 per cent of the shares, issued on a one-for-one basis at 11p each, had been taken up by existing holders. The balance of 35.13m shares will be taken up by the underwriters, the Arbutnot Latham merchant bank.

The allotment of shares to subscribers will result in substantial holdings for several institutions, of which the largest will be Oakhill Investment with 23.35 per cent. The Atlantic and

General Investment Trust—a wholly-owned subsidiary of J. Rothschild Holdings—will have 14.98 per cent.

Other holdings above the 10 per cent level are the Hill Samuel Beech Tree Trust with 8.67 per cent, and the Ailsa Investment Trust with 8.01 per cent.

A spokesman for Arbutnot Latham said yesterday that the institutions had considered that much since the merger with Greenfield Leisure, had "potential there worth going for". He added that the issue had become "technically a placing".

Blacks' shares were unchanged at 10.5p yesterday, below the issue price and just 0.5p above par value.

Raybeck, which has been plagued by problems since 1978, is selling another loss-making retailing subsidiary, Best Sellers of Oxford Street, to Lucy's Boutique.

The sale, which is expected to be completed for £900,000, follows hard on the heels of the disposal of the Lord John and Verff Brothers subsidiaries to J. Hepworth & Sons for £11.5m. Best Sellers lost £310,000 in the last half of the 1985-86 year through its 14 leasehold shops selling ladieswear.

Mr Ben Raven, chairman of Raybeck, says the cash received from this and the other disposals will eliminate borrowings and the surplus will be placed on deposit until appropriate business opportunities are identified. Earlier this week he an-

Interest costs and lower associates profit peg TKM

ALTHOUGH TRADING profits of Tozer Kemsley & Millbourn (Holdings) showed a 28 per cent growth in the first half of 1985, this improvement was offset by lower associates contributions and higher interest costs.

As a result, pre-tax profits were only marginally higher at £2.41m, against £2.37m. Turnover of this international trading group rose by £27m to £237m.

In July, TKM announced proposals for a refinancing scheme. Following upon the IEL Group obtaining a 62.4 per cent stake that month, a total reassessment of the company's financial structure and activities is being carried out with the objective of gaining the benefit of the terms available from its bankers, as described in the circular.

Mr A. M. Davies, the chairman, says it is hoped that a further statement will be made to shareholders concerning the method of achieving this before Christmas.

Progress is being made to the disposal of peripheral activities and some write-offs are likely to be necessary at the end of the year.

In accordance with the under-

principal banks under its revised hanking arrangements, no dividends will be payable during 1985.

TKM has undertaken to pay no dividends this year and next year and thereafter to make no payments unless they are at least twice covered by earnings before extraordinary items and once covered by earnings after extraordinary items.

Trading profits for the period climbed from £3.23m to £6.71m. Share of associates profits, however, dropped from £1.44m to £1.06m and interest charges were higher at £5.36m, against £4.71m, as a result of increased UK rates.

After tax of £1.15m (£1.14m) and minorities' earnings were marginally ahead at £1.20m, against £1.2m. Extraordinary charges took £239,000 (£259,000) leaving an attributable surplus of £868,000, compared with £941,000. Stated earnings per 20p share edged up from 2.5p to 2.6p.

The chairman reports that the UK passenger car market, although highly competitive, has been buoyant and the group's automotive companies have grown strongly with improved

margins. The North American property companies are, however, continuing to suffer from high real interest rates and traded at a loss.

comment Most forecasters had been expecting something nearer £2m from Tozer Kemsley and the almost stagnant earnings were a disappointment. The share price, however, held rock steady, for the truth of the matter is that Tozer's trading performance has been of little more than academic interest to investors since the restructuring last summer which left control of the company in the hands of TEL, the Australian industrial holding company headed by Mr Ron Brierley.

Since then the shares have crept up to their present level of 52p on speculation that Mr Brierley, who also heads BIL, New Zealand's second largest company, plans to use Tozer as a launching pad for the creation of a Hanscom-type empire in the UK. If investors' dreams came true the shares would look a good buy, now, in any other case they are overpriced. It all comes down in a ramble on Mr Brierley's intentions.

Midland Marts halftime loss

REFLECTING THE difficult trading conditions encountered by its estate agency division, the Midland Marts Group has shown a loss of £19,000 for the half year ended August 2 1985, compared with a profit of £365,000. Shares of this USM stock reacted by falling 12p to 68p.

The livestock division (market operation, auctioneering) maintained its performance throughout the period and a satisfactory result from it is looked for over the year.

Despite the poor results the directors feel confident to hold-

ing the interim dividend at 1.25p net per share. Total for 1984-85 was 4p from pre-tax profits of £539,000.

Mr J. F. Watson, the chairman, explains that unfavourable conditions in the Midlands led to a downturn in the number of houses being offered for sale. Rationalisation is in hand which will reduce overheads, while new offices acquired are making a positive contribution to the total fee income.

The reduction in interest rates has produced an increase in instructions and a prolonged summer season, although it is

ton early to predict when the higher activity will have an impact on earnings.

For livestock the company has opened a new sale ring to complement the Pedigree Centre which will satisfy the increasing demand for specialist services. Turnover for the half year came to £2,090 (£2,150) and the trading profit to £75,000 (£72,000), before interest charges of £94,000 (£97,000). There is a tax credit of £34,000 (£41,000) to leave a net profit of £15,000 (£14,000) for earnings of 0.5p (0.4p). This time there is an extraordinary gain of £57,000.

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Fleet sells more shares in United

Fleet Holdings has again dipped to its pool of United Newspapers shares and sold 250,000 at 302p.

Fleet has a keen interest in depressing the share price of United, which is making an offer of 11 of its own shares for every 10 of United's shares.

United's shares were up 30p, to 361p, yesterday at 302p, down 1p, while Fleet's were up 5p to 361p.

Kleworty Benson, which is advising Fleet, last week bought 2,000 shares in United, apparently in order to depress the share price with carefully timed sales.

Crowther calls off legal action against CI

Jobn Crowther Group has agreed to withdraw its legal proceedings, including its claim for damages, against Carparts International and the directors of CI, and to pay CI a sum in respect of costs incurred in connection with the proceedings.

In the meantime, CI will complete the disposal of its wholly-owned subsidiary, Carparts (UK), to Crowther on Monday.

Approval has been given for Carparts International to change its name to Debon Investments, and the change is likely to come into force within a month.

Elders close to revealing bid date for Allied-Lyons

BY CHARLES BATCHELOR

Elders TIL, the Australian brewing and trading group which is attempting to form a consortium to launch a bid for Allied-Lyons, is expected to reveal on Monday when a bid announcement will be made.

Elders is attempting to set out a bid announcement by the deadline of Thursday, October 17 set by the Takeover Panel but it may be allowed to extend this period if it can put forward a sound case.

Earlier this week, Imperial Group, the tobacco and brewing company, pulled out of the con-

sortium talks. The Allied-Lyons camp is sceptical, however, about the problems Elders appears to be experiencing, fearing that they may be a rise designed to make a bid look less likely.

depression the Allied share price. Allied's shares were unchanged yesterday at 275p while Elders rose 2p to 195p.

Elders is about a quarter of the size of Allied, which has a market capitalisation of around £1.5bn. It has indicated that it will sell off parts of the Allied business to meet some of the costs of a bid.

Frank Gates midterm fall

If Ford main dealer Frank G. Gates manages to finish 1985 with similar profits to those achieved in the previous year, the directors would regard this as satisfactory.

For 1984 the group earned £1.5m pre-tax. In the first half of this year the profit has fallen from £506,000 to £330,000 with new car sales continuing to yield exceptionally low margins. "This being the only way the company can compete with Ford's aspirations no volume."

Turnover in the six months rose to £21.36m (£20.77m). Tax takes £219,000 (£250,000) leaving the net figure at £111,000 (£79,000), or 3.7p (3.8p) per share.

The year 1984 also saw extraordinary credits of £149,000 being paid on sales of corporate. This should top £200,000 to 1985.

Dividends shown in pence per share except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock.

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Call for changes at Thames

BY RAYMOND SNODDY

SENIOR MANAGERS of Thames Television are pushing for a restructuring of the ownership of the company following the failure of the takeover bid by Carlton Communications.

They argue that fundamental change is needed now that British Electric Television (BET) and Thorn-EMI have been disclosed as potential sellers of their 99 per cent stake in the company.

BET and Thorn signed agreements, subject to IFA approval, to sell their Thames stakes for a total of £52.5m. On Thursday the IFA decided to withhold its approval for the take-over.

Thames management now would like to see BET and Thorn become minority shareholders.

They believe that a flotation of about 20 per cent of the shares, being planned for some weeks, is no longer an adequate solution.

The Thames management would however have to persuade

the non-executive directors who represent BET and Thorn on the Thames board of the need for radical change. The non-executive directors each have two votes and outvote the Thames management on the board.

Mr Hugh Dundas, chairman of Thames and BET, co-ordinated Thursday that Thames had been looking at a possible flotation, but following the IFA decision to block the Thomson take-over, he said he expected flotation moves might now be accelerated.

Hillsdown acquires 10% stake in OEM

Hillsdown Holdings has acquired 615,000 shares, or some 10.94 per cent, of Office and Electronic Machines, the UK sole distributor for Triumph Adler office equipment. The shares are believed to have come from F. H. Tomkin, the engineering concern, which earlier this week decided not to proceed with an offer for OEM.

Hillsdown is mainly known as a fund group, but it has an interest in the office equipment sector via its Cartwright Brice subsidiary.

Tate & Lyle strengthens North American interests

IN A DEAL which further strengthens its North American interests, Tate & Lyle, the UK group most noted for its sugar production and refining business, yesterday announced the £66m purchase of the Canadian subsidiary Redpath Industries.

The U.S. company, based in Midland, Texas, is a manufacturer of custom injection moulded products primarily for

use to the oil and gas drilling industry. The acquired assets will also be used to produce exterior plastic parts for vehicles to be manufactured at the new Ford/Mazda plant in Hermosillo, Mexico, opening in late 1986.

Texas Plastic will fit in with Tate's Donlon moulded plastics business in Toronto, Canada, which was acquired in November last year and made a substantial contribution to Tate's £13m interim pre-tax profits.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS										Fri Oct 11 1985										Highs and Lows Index											
Figures in parentheses show number of stocks per section																															
																				1985										Since Completion	
																				High										Low	
																				Low										High	

CURRENCIES and MONEY

FOREIGN EXCHANGES

Quiet end to a quiet week

Trading virtually ground to a halt in currency markets yesterday, amid a mood of uncertainty and lethargy. The prospect of U.S. retail sales figures being higher than expected would have prompted a significant change in cross rates, a month ago. But with the threat of another push by central banks to reduce the value of the dollar and the proximity of a long weekend in the U.S., speculators and corporates alike declined to participate this time.

A larger than expected rise in U.S. retail sales did prompt a minor reaction, with the dollar moving slightly higher. However, this was short-lived and fell from the day's highs was a result of open market dollar sales by the West German Bundesbank. The extent of inter-

£ IN NEW YORK

	Oct. 11	Prev. close
2 spot	\$1.481-1.481	\$1.481-1.481
1 month	1.481-1.481	1.481-1.481
3 months	1.481-1.481	1.481-1.481
6 months	1.481-1.481	1.481-1.481
12 months	1.481-1.481	1.481-1.481

Forward premium and discount rates in the U.S. dollar

vention was probably quite small in relative terms but served to remind the market that it would be unwise to dismiss central banks' resolve to contain the dollar. Earlier in this week speculators appeared to be showing nervousness, suggesting that central banks were barking but not biting.

DOLLAR SPOT—FORWARD AGAINST DOLLAR

Oct. 11	Day's spread	Close	One month	Three months	Six months	One year
UK	1.480-1.481	1.481-1.482	0.44-0.45	0.44-0.45	0.44-0.45	0.44-0.45
France	1.480-1.481	1.481-1.482	0.44-0.45	0.44-0.45	0.44-0.45	0.44-0.45
Germany	1.480-1.481	1.481-1.482	0.44-0.45	0.44-0.45	0.44-0.45	0.44-0.45
Italy	1.480-1.481	1.481-1.482	0.44-0.45	0.44-0.45	0.44-0.45	0.44-0.45
Spain	1.480-1.481	1.481-1.482	0.44-0.45	0.44-0.45	0.44-0.45	0.44-0.45
Japan	1.480-1.481	1.481-1.482	0.44-0.45	0.44-0.45	0.44-0.45	0.44-0.45
Sweden	1.480-1.481	1.481-1.482	0.44-0.45	0.44-0.45	0.44-0.45	0.44-0.45
Norway	1.480-1.481	1.481-1.482	0.44-0.45	0.44-0.45	0.44-0.45	0.44-0.45
Denmark	1.480-1.481	1.481-1.482	0.44-0.45	0.44-0.45	0.44-0.45	0.44-0.45
Belgium	1.480-1.481	1.481-1.482	0.44-0.45	0.44-0.45	0.44-0.45	0.44-0.45
Netherlands	1.480-1.481	1.481-1.482	0.44-0.45	0.44-0.45	0.44-0.45	0.44-0.45
Portugal	1.480-1.481	1.481-1.482	0.44-0.45	0.44-0.45	0.44-0.45	0.44-0.45
Greece	1.480-1.481	1.481-1.482	0.44-0.45	0.44-0.45	0.44-0.45	0.44-0.45
Switzerland	1.480-1.481	1.481-1.482	0.44-0.45	0.44-0.45	0.44-0.45	0.44-0.45
Australia	1.480-1.481	1.481-1.482	0.44-0.45	0.44-0.45	0.44-0.45	0.44-0.45
New Zealand	1.480-1.481	1.481-1.482	0.44-0.45	0.44-0.45	0.44-0.45	0.44-0.45
South Africa	1.480-1.481	1.481-1.482	0.44-0.45	0.44-0.45	0.44-0.45	0.44-0.45
Canada	1.480-1.481	1.481-1.482	0.44-0.45	0.44-0.45	0.44-0.45	0.44-0.45
Argentina	1.480-1.481	1.481-1.482	0.44-0.45	0.44-0.45	0.44-0.45	0.44-0.45
Brazil	1.480-1.481	1.481-1.482	0.44-0.45	0.44-0.45	0.44-0.45	0.44-0.45
Chile	1.480-1.481	1.481-1.482	0.44-0.45	0.44-0.45	0.44-0.45	0.44-0.45
Colombia	1.480-1.481	1.481-1.482	0.44-0.45	0.44-0.45	0.44-0.45	0.44-0.45
Costa Rica	1.480-1.481	1.481-1.482	0.44-0.45	0.44-0.45	0.44-0.45	0.44-0.45
Cuba	1.480-1.481	1.481-1.482	0.44-0.45	0.44-0.45	0.44-0.45	0.44-0.45
Czech Republic	1.480-1.481	1.481-1.482	0.44-0.45	0.44-0.45	0.44-0.45	0.44-0.45
Dominican Republic	1.480-1.481	1.481-1.482	0.44-0.45	0.44-0.45	0.44-0.45	0.44-0.45
Ecuador	1.480-1.481	1.481-1.482	0.44-0.45	0.44-0.45	0.44-0.45	0.44-0.45
El Salvador	1.480-1.481	1.481-1.482	0.44-0.45	0.44-0.45	0.44-0.45	0.44-0.45
Guatemala	1.480-1.481	1.481-1.482	0.44-0.45	0.44-0.45	0.44-0.45	0.44-0.45
Honduras	1.480-1.481	1.481-1.482	0.44-0.45	0.44-0.45	0.44-0.45	0.44-0.45
India	1.480-1.481	1.481-1.482	0.44-0.45	0.44-0.45	0.44-0.45	0.44-0.45
Indonesia	1.480-1.481	1.481-1.482	0.44-0.45	0.44-0.45	0.44-0.45	0.44-0.45
Israel	1.480-1.481	1.481-1.482	0.44-0.45	0.44-0.45	0.44-0.45	0.44-0.45
Italy	1.480-1.481	1.481-1.482	0.44-0.45	0.44-0.45	0.44-0.45	0.44-0.45
Japan	1.480-1.481	1.481-1.482	0.44-0.45	0.44-0.45	0.44-0.45	0.44-0.45
Korea	1.480-1.481	1.481-1.482	0.44-0.45	0.44-0.45	0.44-0.45	0.44-0.45
Malaysia	1.480-1.481	1.481-1.482	0.44-0.45	0.44-0.45	0.44-0.45	0.44-0.45
Mexico	1.480-1.481	1.481-1.482	0.44-0.45	0.44-0.45	0.44-0.45	0.44-0.45
Nicaragua	1.480-1.481	1.481-1.482	0.44-0.45	0.44-0.45	0.44-0.45	0.44-0.45
Peru	1.480-1.481	1.481-1.482	0.44-0.45	0.44-0.45	0.44-0.45	0.44-0.45
Puerto Rico	1.480-1.481	1.481-1.482	0.44-0.45	0.44-0.45	0.44-0.45	0.44-0.45
Romania	1.480-1.481	1.481-1.482	0.44-0.45	0.44-0.45	0.44-0.45	0.44-0.45
Saudi Arabia	1.480-1.481	1.481-1.482	0.44-0.45	0.44-0.45	0.44-0.45	0.44-0.45
Senegal	1.480-1.481	1.481-1.482	0.44-0.45	0.44-0.45	0.44-0.45	0.44-0.45
Singapore	1.480-1.481	1.481-1.482	0.44-0.45	0.44-0.45	0.44-0.45	0.44-0.45
Slovak Republic	1.480-1.481	1.481-1.482	0.44-0.45	0.44-0.45	0.44-0.45	0.44-0.45
Slovenia	1.480-1.481	1.481-1.482	0.44-0.45	0.44-0.45	0.44-0.45	0.44-0.45
Sri Lanka	1.480-1.481	1.481-1.482	0.44-0.45	0.44-0.45	0.44-0.45	0.44-0.45
Suriname	1.480-1.481	1.481-1.482	0.44-0.45	0.44-0.45	0.44-0.45	0.44-0.45
Taiwan	1.480-1.481	1.481-1.482	0.44-0.45	0.44-0.45	0.44-0.45	0.44-0.45
Tanzania	1.480-1.481	1.481-1.482	0.44-0.45	0.44-0.45	0.44-0.45	0.44-0.45
Thailand	1.480-1.481	1.481-1.482	0.44-0.45	0.44-0.45	0.44-0.45	0.44-0.45
Togo	1.480-1.481	1.481-1.482	0.44-0.45	0.44-0.45	0.44-0.45	0.44-0.45
Tonga	1.480-1.481	1.481-1.482	0.44-0.45	0.44-0.45	0.44-0.45	0.44-0.45
Trinidad and Tobago	1.480-1.481	1.481-1.482	0.44-0.45	0.44-0.45	0.44-0.45	0.44-0.45
Tunisia	1.480-1.481	1.481-1.482	0.44-0.45	0.44-0.45	0.44-0.45	0.44-0.45
Turkey	1.480-1.481	1.481-1.482	0.44-0.45	0.44-0.45	0.44-0.45	0.44-0.45
Uganda	1.480-1.481	1.481-1.482	0.44-0.45	0.44-0.45	0.44-0.45	0.44-0.45
Ukraine	1.480-1.481	1.481-1.482	0.44-0.45	0.44-0.45	0.44-0.45	0.44-0.45
Uruguay	1.480-1.481	1.481-1.482	0.44-0.45	0.44-0.45	0.44-0.45	0.44-0.45
USA	1.480-1.481	1.481-1.482	0.44-0.45	0.44-0.45	0.44-0.45	0.44-0.45
Venezuela	1.480-1.481	1.481-1.482	0.44-0.45	0.44-0.45	0.44-0.45	0.44-0.45
Zambia	1.480-1.481	1.481-1.482	0.44-0.45	0.44-0.45	0.44-0.45	0.44-0.45
Zimbabwe	1.480-1.481	1.481-1.482	0.44-0.45	0.44-0.45	0.44-0.45	0.44-0.45

CURRENCY RATES

Oct. 11	Bank of England	Special Drawing Rights	European Currency Unit
US\$	1.480-1.481	1.480-1.481	1.480-1.481
UK	1.480-1.481	1.480-1.481	1.480-1.481
France	1.480-1.481	1.480-1.481	1.480-1.481
Germany	1.480-1.481	1.480-1.481	1.480-1.481
Italy	1.480-1.481	1.480-1.481	1.480-1.481
Spain	1.480-1.481	1.480-1.481	1.480-1.481
Japan	1.480-1.481	1.480-1.481	1.480-1.481
Sweden	1.480-1.481	1.480-1.481	1.480-1.481
Norway	1.480-1.481	1.480-1.481	1.480-1.481
Denmark	1.480-1.481	1.480-1.481	1.480-1.481
Belgium	1.480-1.481	1.480-1.481	1.480-1.481
Netherlands	1.480-1.481	1.480-1.481	1.480-1.481
Portugal	1.480-1.481	1.480-1.481	1.480-1.481
Greece	1.480-1.481	1.480-1.481	1.480-1.481
Switzerland	1.480-1.481	1.480-1.481	1.480-1.481
Australia	1.480-1.481	1.480-1.481	1.480-1.481
New Zealand	1.480-1.481	1.480-1.481	1.480-1.481
South Africa	1.480-1.481	1.480-1.481	1.480-1.481
Canada	1.480-1.481	1.480-1.481	1.480-1.481
Argentina	1.480-1.481	1.480-1.481	1.480-1.481
Brazil	1.480-1.481	1.480-1.481	1.480-1.481
Chile	1.480-1.481	1.480-1.481	1.480-1.481
Colombia	1.480-1.481	1.480-1.481	1.480-1.481
Costa Rica	1.480-1.481	1.480-1.481	1.480-1.481
Cuba	1.480-1.481	1.480-1.481	1.480-1.481
Czech Republic	1.480-1.481	1.480-1.481	1.480-1.481
Dominican Republic	1.480-1.481	1.480-1.481	1.480-1.481
Ecuador	1.480-1.481	1.480-1.481	1.480-1.481
El Salvador	1.480-1.481	1.480-1.481	1.480-1.481
Guatemala	1.480-1.481	1.480-1.481	1.480-1.481
Honduras	1.480-1.481	1.480-1.481	1.480-1.481
India	1.480-1.481	1.480-1.481	1.480-1.481
Indonesia	1.480-1.481	1.480-1.481	1.480-1.481
Israel	1.480-1.481	1.480-1.481	1.480-1.481
Italy	1.480-1.481	1.480-1.481	1.480-1.481
Japan	1.480-1.481	1.480-1.481	1.480-1.481
Korea	1.480-1.481	1.480-1.481	1.480-1.481
Malaysia	1.480-1.481	1.480-1.481	1.480-1.481
Mexico	1.480-1.481	1.480-1.481	1.480-1.481
Nicaragua	1.480-1.481	1.480-1.481	1.480-1.481
Peru	1.480-1.481	1.480-1.481	1.480-1.481
Puerto Rico	1.480-1.481	1.480-1.481	1.480-1.481
Romania	1.480-1.481	1.480-1.481	1.480-1.481
Saudi Arabia	1.480-1.481	1.480-1.481	1.480-1.481
Senegal	1.480-1.481	1.480-1.481	1.480-1.481
Singapore	1.480-1.481	1.480-1.481	1.480-1.481
Slovak Republic	1.480-1.481	1.480-1.481	1.480-1.481
Slovenia	1.480-1.481	1.480-1.481	1.480-1.481
Sri Lanka	1.480-1.481	1.480-1.481	1.480-1.481
Suriname	1.480-1.481	1.480-1.481	1.480-1.481
Taiwan	1.480-1.481	1.480-1.481	1.480-1.481
Tanzania	1.480-1.481	1.480-1.481	1.480-1.481
Thailand	1.480-1.481	1.480-1.481	1.480-1.481
Togo	1.480-1.481	1.480-1.481	1.480-1.481
Tonga	1.480-1.481	1.480-1.481	1.480-1.481
Trinidad and Tobago	1.480-1.481	1.480-1.481	1.480-1.481
Tunisia	1.480-1.481	1.480-1.481	1.480-1.481
Turkey	1.480-1.481	1.480-1.481	1.480-1.481
Uganda	1.480-1.481	1.480-1.481	1.480-1.481
Ukraine	1.480-1.481	1.480-1.481	1.480-1.481
Uruguay	1.480-1.481	1.480-1.481	1.480-1.481
USA	1.480-1.481	1.480-1.481	1.480-1.481
Venezuela	1.480-1.481	1.480-1.481	1.480-1.481
Zambia	1.480-1.481	1.480-1.481	1.480-1.481
Zimbabwe	1.480-1.481	1.480-1.481	1.480-1.481

CURRENCY MOVEMENTS

Oct. 11	Bank of England Index	Morgan Guaranty Change %
sterling	80.0	-10.5
U.S. dollar	121.5	+12.2
Canadian dollar	84.1	-8.7
Austrian schilling	118.4	+5.1
Belgian franc	01.0	-10.2
Danish kroner	81.3	-5.9
Deutsche mark	127.8	+13.4
Swiss franc	150.5	+5.4
Guilder	117.8	-12.7
French franc	68.4	-10.0
Yen	44.5	+83.8
Italian lire	170.4	

LONDON STOCK EXCHANGE

MARKET REPORT

Fresh burst of strength in leading equities pushes FT index up 9.7 to best-ever 1027.5

Account Dealing Dates
Optim
"First Declara- Last Account
Dealings Dates Day
Sept 30 Oct 10 Oct 11 Oct 21
Oct 4 Oct 24 Oct 11 Nov 4
Oct 28 Nov 7 Nov 8 Nov 18
"New-time" dealings may take
place from 8.30 am to business
earlier.

The continued revival of
investor confidence was
sufficient to prompt a further broad
advance in the FT index, which
left the Financial Times
Ordinary share index 9.7 up at
an all-time high of 1,027.5.
The previous peak of 1,023.5
was attained on January 22 1985.

Engineers, which accounted
for much of the advance,
spearheaded the advance.
Building shares were not far
behind.

Meanwhile, other leading
shares met with further
institutional support in the early
dealings. Interest, however, tended
to fade as the trading session
progressed but a late revival
from 3.30 pm onwards is allowed
without penalty for the new
Account dealing next Monday.

Among the sectors, leading
Electricals put on a bright
performance. But Oil shares, still
reflecting price worries, failed
to participate in the advance.
Secondary shares, which came to
life on Thursday following
Clerical Properties bid for Owen
Owen, traded much more
quietly.

Nevertheless, speculative
activity was again evident in
other areas of the market. A
penny trading statements
prompted many of the day's
more noteworthy movements.

Government securities
continued on a quietly firm note
until the 3.30 pm announcement
of further Government funding.
The issue by way of tender of
£500m of Treasury 10 per cent
2001 (440-paid) at a minimum
price of 98.1 caused a late easier
trend, earlier gains of an 1/8 in
the medium-term being erased.
Stocks within the vicinity of
new tender were lowered by around
1/2 after showing initial fractional
gains. Short-dated stocks, however,
were unaffected, quotations
being holding improvements of 1/8.

Insurance ended the Account
on a very firm note. Lloyds
brokers attracted persistent
interest and Willis Faber
closed 1/2 higher at 72 1/2, while
takerover favourite Stewart
Wrightson gained 1/2 to 68 1/2.

Lloyds brokers firm
Hinet were finally 5/8 higher at
62 1/2. Life issues went higher
helped by a broker's bullish
view of the sector. Legal and
General moved 1/2 in 6 1/2 and
Prudential rose 1/2 to 71 1/2.
Refuge, a dull market on Thurs-
day, saw Bank of Nova
Scotia does not have a direct
stake in the company, regained

composure and rallied 10 to
370p.
The major clearing banks
trended firmer initially, but sub-
sequently settled below the best
in the absence of follow-through
support. Barclays closed 3
dearer at 400p, after 404p, and
NatWest 6 higher at 600p, after
604p. Among Merchant banks,
Boothamley featured with a
rise of 4 to 104p. Elsewhere
First National Finance attracted
fresh speculative buying and
gained 8 to 142p. National Bank
Australia rose 10 to 355p on
news that the group is seeking a
U.S. big board listing.

Breweries attracted occasional
demand for the new Account
and finished a shade firmer for
choice. Guinness eased led the
way with a gain of 3 at 306p-
up 18 on the week. Matthew
Brown met "call" options
business and bartered 6 more to
445p as operators took positions
in front of the Monopoly Com-
mission verdict on the bid from
Scottish and Newcastle, a penny
cheaper at 170p.

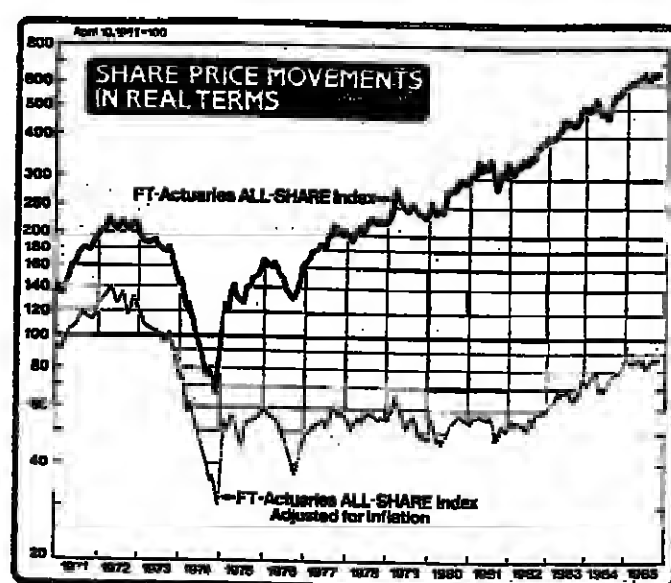
Stock shortages often exag-
gerated gains in a Building
sector buoyed by hopes of in-
creased Government spending
and interest rate optimism.
Several leading issues displayed
double-figure gains with Costain
12 higher at 47 1/2 and Elm
Circle 11 up at 54 1/2. Taylor
closed rose to 49p, as did
Redland, to 315p. RMC com-
mitted to make progress and
firmly 6 more to 444p for a gain
on the week of 18. Buyers came
for John Laing which rose 18 to
300p and John Mowlem, 8 to
100p at 278p; the latter's interim
dividend was due on Monday.

Other bright spots included
Ward Holdings, 12 higher at
205p and French Kier, up 6 more
at a year's high of 214p, the
latter on Trafalgar House take-
over hopes. Demand in a
restricted market lifted James
Latham 15 to 300p, while
Ruhedral continued to reflect
the better-than-expected results
with a further rise of 7 to 27p.
Meyer International again
traded briskly and settled 3
dearer at 187p.

In the Chemical sector, Fosco
attracted buyers and firm 7 to
205p, but Hoechst shed a
penny to 14p following the
warning about a second-half
profit.

Elys up again
Thursday's bout of excitement
in secondary Shares proved to
be short-lived. Owen Owen, the
subject of a hostile share-
exchange bid from Clayform
Properties, were unchanged at
55p, after 45p, but Elys (White-
bleed), in which the former
holds a near-30 per cent stake,
attracted fresh speculative
activity and spurred 40 for a
two-day gain of 10p at 600p.

Raybeck, firm on Thursday after
the interim statement, hardened
a couple of pence further to 36p
following the disposal of its
loss-making Best Sellers opera-
tion.



Leading Electricals finished
the Account on a buoyant note.
GEC returned to favour and in
active trading advanced 8 to
166p. Cable and Wireless im-
proved 15 to an all-time high of
605p. Arcon Computer dipped
5 to 68p after revealing worse-
than-expected annual results.
Elsewhere, USM quoted Meadow
luffed CPU Computers 7 to 35p.
Interest was maintained in
Amstrad, finally 10 higher at
145p. Microlease, however,
slumped 45 to 240p on the in-
terim profits setback, while
Synapse, due to announce full-
year figures next Tuesday, gave
up 5 for a two-day decline of 13
at 187p. UEL rose 8 to 208p in
front of Monday's half-liner.

The strong buying of En-
gineers over the past day or so
gathered momentum and
produced good gains throughout
the list. Inspired by takeover
hopes, IT advanced 15 to 407p,
while CRN were 3 more to 282p,
after a year's best of 253p.
Hawker Siddeley, scheduled to
report interim results on Wed-
nesday, jumped a further 12 to
401p, a two-day rise of 22, while
Babcock International, which
recently announced a takeover
deal with workers at Babcock
Power until to Redwulf, put on
6 more to 148p. Delta Group
added 6 at 156p, Laird Group 8
at 200p and Glynwed 4 at 218p.
Ash and Lacy were 10 better at
188p in front of Monday's half-
liner. Elsewhere, Noble and
Lund inched a 1955 high of 56p
prior to closing a further 4 up
at 55p; a week's rise of 24p on
asset injection hopes after the
successful takeover by Gild In-
vestments.

The Food leaders, advanced
afresh. Unigate were outstanding
and closed 1/2 higher at the day's
best of 203p, while Rank's Nevis
McDougal gained 6 to 160p.
Cadbury Schweppes attracted
late support and finished 3
dearer at 140p, but Tate and
Lyle, a shade firmer initially
following news of a U.S. acqui-
sition by its Canadian subsidiary
Redpath, subsequently drifted
to close unchanged at 375p.
Among Retailers, Tesco
remained firm market and rose
4 for a two-day gain of 12 at
242p, while Argill firmed 5 to
335p. Takeover favourite Kwik
Save put on 4 to 232p and
Colsons added 5 to 235p in
related response to the results.
Elsewhere, USM quoted Meadow
luffed CPU Computers 7 to 35p.
Farm rose 10 to 355p in a re-
stricted market. Aberdeen Steak
Houses added 3 to 15p in re-
sponse to the more-than-doubled
interim profits.

Pilkington feature
Pilkington Brothers featured
the muscledom industrial
leaders in the appearance of in-
stitutional buyers at the outset
lifting the price 18 to 273p. Others
to attract support included BOC,
7 to the good at 254p and
Beecham, up at 393p. Plions
firmed the same amount to 362p,
while Metal Box hardened 3
more to 515p for a gain
on the week of 30. British
Aerospace, a rising market
recently on hopes of further
military aircraft contracts,
edged up 45p prior to
closing unchanged at 600p.
The battle for control of SCM
Corporation of the U.S. continued
to deter buyers of Hanson
Trust which softened a penny
more to 201p, while Glaxo gave
up 1/2 to 113p following Monday's
annual results. Elsewhere, AAI
gained 11 to 169p following the
chairman's confident statement
at the annual meeting while
Office of Electronic Machine
firmed 5 to 511p, after 212p, on
the announcement that the
10 per cent stake in the company
recently sold by F. H. Tomkins.
Buyers came in for BBA which
rose 8 to 140p, but pre-filing
Hume which attracted substan-
tial support, saw its business
reverted to takeover, advanced
16 to 163p. Buyers
also returned for Yellerman,
finally 4 to the good at 34, after
a new 1985 peak of 36p. Mercantile
House, on the other hand,
fell 9 for a fall on the week of

couple of pence following com-
ment on the package holiday
price war, but Owners Abroad
gained 14 to 251p on takeover
hopes. Elsewhere in the Leisure
sector, Brent Walker found sup-
port and firmed 7 to 119p.
Motor sectors continued to
attract steady and often sizeable
support. Lucas Industries were
wanted after the house close and
improved 8 to a new 1985 peak
of 403p, while Dowry rose a
similar amount to 207p. Jaguar,
still buoyed by the prospect of a
"big-board" listing in New York,
advanced 6 more to 230p. Dis-
tributors also closed on a firm
note, with Cowi, Up and Hart-
well, 78p, firmed 4 and 3 respec-
tively, but the reduced first-
half profits clipped a couple of
pence from Frank G. Gates, at
60p.

Dealings in Carlton Com-
munications, suspended at 320p
on Monday, resumed yesterday at
800p in the wake of the IBA's
decision to block Carlton's pro-
posed acquisition of Thames
Television. Tann EM and BEI,
major shareholders in Thames,
gave ground on the news: Thorn
fell 7 to 355p; a decline of 14
in the week, while the latter, a
firm market of late, eased a
couple of pence to 339p.
Interest in the Property
leaders faded, but secondary
issues remained selectively firm.
Regal featured with a rise of
30 to 395p ahead of the results
expected shortly, while Control
Securities came of its year's low
of 20p to close a penny better
at 21p on the announcement that
Vital and Zela Anstalt have
increased their stake to 25.32
per cent. Estate agents Raiton Eros
put on 4 to 102p on speculative
demand.

Shippers, a firm sector
throughout the week, made fresh
progress. Dempra, although
selective, extended well into the
after-hours, business, P & O
Deferred results, 7 more to
440p, while Ocean Transport,
often mentioned as a possible
takeover target for the former,
put on 5 to 157p. British and
Commonwealth improved 3 for
a gain on the week of 22 to 290p;
the interim results are expected
early next month. Caladenia
Investments closed 11 higher at
208p.

Textiles featured Lister which
attained a 1985 high of 69p
before settling a net 5 dearer at
65p.

Among Tobaccos, Bate were
lively and advanced 6 to 37p as
the company issued a categorical
denial that its Eagle Star sub-
sidiary had incurred substantial
losses in the wake of the Mexi-
can earthquake and Hurricane
Gloria. Imps, still surrounded by
takeover gossip, were also active
and, following a sizeable trad-
ing session, rose 5 to 210p.
Financials highlighted Altko
Hume which attracted substan-
tial support, saw its business
reverted to takeover, advanced
16 to 163p. Buyers
also returned for Yellerman,
finally 4 to the good at 34, after
a new 1985 peak of 36p. Mercantile
House, on the other hand,
fell 9 for a fall on the week of

Falcon Res. rally

Persisting worries about inter-
national crude oil prices were a
restraining factor in the oil sec-
tor and the leaders drifted for
much of the session before
steadying on the appearance of
light buying for the new account.
BP ended the day unchanged on
balance at 543p but Shell were
left with a 5 fall at 687p. LASMO
managed a minor improvement
at 685p. Burmah attracted
renewed speculative buying at
the outset and edged up to a
year's high of 320p before
retreating to 314p and settling 8
net 2 easier at 316p. Secondary
issues were highlighted by good
gains in the recently dull U.S.
explorator, down to 32p earlier
in the week following the disap-
pointing interim statement,
rallied well and touched 45p
prior to closing a net 5 up 46
pence at 45p, while Great
Western Resources extended
their recent upsurge and added
a further 15 at 115p for a two-
day gain of 30. Firstland Oil and
Gas rose 10 to 105p and Petro-
bras 10 to 105p. Invent Energy eased
to 177p early on but attracted
good interest late in the day to
close 1 up on balance at a year's
high of 171p ahead of the pro-
posed share split. Elsewhere,
Australia's Oil Search ran back
5 to 421p but remained 14 up
on the week following the recent
encouraging drilling report from
the Manana 3 well in Papua
New Guinea.

Gold edge higher

Turnover in South African
sectors of mining markets con-
tinued at minimal levels with
business virtually at a standstill
following the Republic's Kruger
Day holiday in the Republic.
Trading by London and other
European dealers remained at a
low ebb and minor gains in
Gold share prices generally
reflected a slight easier trend
in sterling against the dollar.
The majority of the "down-
under" mining leaders lost
ground in subdued trading.
Recently-firm Peko-Wallaseid
turned easier and posted a 10
pence fall to 285p and CRA dipped
4 to 292p. Among Golds,
Poselidon dipped 5 to 133p,
did Central Norsemann Gold,
385p, but Sons of Gwalia moved
against the trend and rose 4
more to 134p. Hill Minerals
also wanted and hardened
a shade to a year's best of 43p.
Recent strong gains in Aus-
tralian industrial stocks continued
to fuel good London demand for
Rond Corporation and the
shares improved a couple of
pence more to a 1985 high of
120p. The company's takeover
of Adelaide Steamship has accumu-
lated a near-6 per cent stake
in the company.
Traded Outlines finished a
relative subdued week on a brighter
note. Total contracts done
amounted to 11,300. Imperial
Group again held the limelight
with 1,107 calls transacted.
Dealers also reported useful
evenly-balanced trading in
Larsen and BP. The FT-SE 100
index contract recorded 501
calls and 511 puts.

STERLING ISSUES BY
FOREIGN GOVERNMENTS AND
INTERNATIONAL INSTITUTIONS

Country	Issue	Amount	Interest	Term
Australia	10.10.1985	200m	10.5%	10y
Belgium	10.10.1985	100m	10.5%	10y
Canada	10.10.1985	100m	10.5%	10y
France	10.10.1985	100m	10.5%	10y
Germany	10.10.1985	100m	10.5%	10y
Italy	10.10.1985	100m	10.5%	10y
Japan	10.10.1985	100m	10.5%	10y
Netherlands	10.10.1985	100m	10.5%	10y
Spain	10.10.1985	100m	10.5%	10y
Sweden	10.10.1985	100m	10.5%	10y
Switzerland	10.10.1985	100m	10.5%	10y
UK	10.10.1985	100m	10.5%	10y
USA	10.10.1985	100m	10.5%	10y

CORPORATION & COUNTY

Company	Issue	Amount	Interest	Term
Amalgamated	10.10.1985	100m	10.5%	10y
Bank of America	10.10.1985	100m	10.5%	10y
Bank of England	10.10.1985	100m	10.5%	10y
Bank of France	10.10.1985	100m	10.5%	10y
Bank of Germany	10.10.1985	100m	10.5%	10y
Bank of Italy	10.10.1985	100m	10.5%	10y
Bank of Japan	10.10.1985	100m	10.5%	10y
Bank of Netherlands	10.10.1985	100m	10.5%	10y
Bank of Spain	10.10.1985	100m	10.5%	10y
Bank of Sweden	10.10.1985	100m	10.5%	10y
Bank of Switzerland	10.10.1985	100m	10.5%	10y
Bank of USA	10.10.1985	100m	10.5%	10y

UK PUBLIC BONDS

Company	Issue	Amount	Interest	Term
Amalgamated	10.10.1985	100m	10.5%	10y
Bank of America	10.10.1985	100m	10.5%	10y
Bank of England	10.10.1985	100m	10.5%	10y
Bank of France	10.10.1985	100m	10.5%	10y
Bank of Germany	10.10.1985	100m	10.5%	10y
Bank of Italy	10.10.1985	100m	10.5%	10y
Bank of Japan	10.10.1985	100m	10.5%	10y
Bank of Netherlands	10.10.1985	100m	10.5%	10y
Bank of Spain	10.10.1985	100m	10.5%	10y
Bank of Sweden	10.10.1985	100m	10.5%	10y
Bank of Switzerland	10.10.1985	100m	10.5%	10y
Bank of USA	10.10.1985	100m	10.5%	10y

COMMONWEALTH GOVT.

Company	Issue	Amount	Interest	Term
Amalgamated	10.10.1985	100m	10.5%	10y
Bank of America	10.10.1985	100m	10.5%	10y
Bank of England	10.10.1985	100m	10.5%	10y
Bank of France	10.10.1985	100m	10.5%	10y
Bank of Germany	10.10.1985	100m	10.5%	10y
Bank of Italy	10.10.1985	100m	10.5%	10y
Bank of Japan	10.10.1985	100m	10.5%	10y
Bank of Netherlands	10.10.1985	100m	10.5%	10y
Bank of Spain	10.10.1985	100m	10.5%	10y
Bank of Sweden	10.10.1985	100m	10.5%	10y
Bank of Switzerland	10.10.1985	100m	10.5%	10y
Bank of USA	10.10.1985	100m	10.5%	10y

FOREIGN STOCKS

Country	Issue	Amount	Interest	Term
Australia	10.10.1985	200m	10.5%	10y
Belgium	10.10.1985	100m	10.5%	10y
Canada	10.10.1985	100m	10.5%	10y
France	10.10.1985	100m	10.5%	10y
Germany	10.10.1985	100m	10.5%	10y
Italy	10.10.1985	100m	10.5%	10y
Japan	10.10.1985	100m	10.5%	10y
Netherlands	10.10.1985	100m	10.5%	10y
Spain	10.10.1985	100m	10.5%	10y
Sweden	10.10.1985	100m	10.5%	10y
Switzerland	10.10.1985	100m	10.5%	10y
UK	10.10.1985	100m	10.5%	10y
USA	10.10.1985	100m	10.5%	10y

BANKS, DISCOUNT

Company	Issue	Amount	Interest	Term
Amalgamated	10.10.1985	100m	10.5%	10y
Bank of America	10.10.1985	100m	10.5%	10y
Bank of England	10.10.1985	100m	10.5%	10y
Bank of France	10.10.1985	100m	10.5%	10y
Bank of Germany	10.10.1985	100m	10.5%	10y
Bank of Italy	10.10.1985	100m	10.5%	10y
Bank of Japan	10.10.1985	100m	10.5%	10y
Bank of Netherlands	10.10.1985	100m	10.5%	10y
Bank of Spain	10.10.1985	100m	10.5%	10y
Bank of Sweden	10.10.1985	100m	10.5%	10y
Bank of Switzerland	10.10.1985	100m	10.5%	10y
Bank of USA	10.10.1985	100m	10.5%	10y

BREWERS

Company	Issue	Amount	Interest	Term
Amalgamated	10.10.1985	100m	10.5%	10y
Bank of America	10.10.1985	100m	10.5%	10y
Bank of England	10.10.1985	100m	10.5%	10y
Bank of France	10.10.1985	100m	10.5%	10y
Bank of Germany	10.10.1985	100m	10.5%	10y
Bank of Italy	10.10.1985	100m	10.5%	10y
Bank of Japan	10.10.1985	100m	10.5%	10y
Bank of Netherlands	10.10.1985	100m	10.5%	10y
Bank of Spain	10.10.1985	100m	10.5%	10y
Bank of Sweden	10.10.1985	100m	10.5%	10y
Bank of Switzerland	10.10.1985	100m	10.5%	10y
Bank of USA	10.10.1985	100m	10.5%	10y

G-H

Company	Issue	Amount	Interest	Term
Amalgamated	10.10.1985	100m	10.5%	10y
Bank of America	10.10.1985	100m	10.5%	10y
Bank of England	10.10.1985	100m	10.5%	10y
Bank of France	10.10.1985	100m	10.5%	10y
Bank of Germany	10.10.1985	100m	10.5%	10y
Bank of Italy	10.10.1985	100m	10.5%	10y
Bank of Japan	10.10.1985	100m	10.5%	10y
Bank of Netherlands	10.10.1985	100m	10.5%	10y
Bank of Spain	10.10.1985	100m	10.5%	10y
Bank of Sweden	10.10.1985	100m	10.5%	10y
Bank of Switzerland	10.10.1985	100m	10.5%	10y
Bank of USA	10.10.1985	100m	10.5%	10y

I-K

Amalgamated	10.10.1985	100m	10.5%	10y
Bank of America	10.10.1985	100m	10.5%	10y
Bank of England	10.10.1985	100m	10.5%	10y
Bank of France	10.10.1985	100m	10.5%	10y
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Bank of Mexico	10.10.1985	100m	10.5%	10y
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INSURANCE, OVERSEAS & MONEY FUNDS

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WEEKEND FT

Saturday October 12 1985

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Oxford's colleges have their problems but money is not one of them. Indeed, the wealth of knowledge is almost embarrassing.

Nicholas Faith reports

TOMORROW, the first academic year starts at Oxford University since the dons, assembled in Congregation, voted against an honorary doctorate for Mrs Thatcher. The vote was a milestone for a university associated traditionally with the status quo. At the time, the Prime Minister's supporters treated it as a Marxist plot; in reality, it was more significant — a protest by the university's strong scientific community against the cuts imposed on their colleagues elsewhere.

But none of Mrs Thatcher's critics pursued the argument further. They did not ask whether they, as Fellows of often wealthy colleges, could persuade these autonomous bodies to do more for academic finances in Oxford or elsewhere; let alone query the relationships between the university itself and the individual colleges. So outsiders might well feel that their attitude was more than a little hypocritical; for in the past 20 years since Lord Franks produced his massive report on Oxford, the colleges have flourished as never before. Their total capital value probably amounts to more than £500m. If this money were invested in gilts, for instance, the return would be enough to give the university its independence from the £42m it gets from the Government in basic support.

Oxford's wealth is fantastic; but then, so is the recent history of the college system. The first few were founded in the middle ages on the mediaeval notion of a small "fellowship" of impoverished clerics living a monastic life together and studying a narrow range of subjects. Elsewhere in Europe, most of them were abolished in the 18th century, but at Oxford, more even than Cambridge, they have retained their dominance.

Franks called Oxford a "federal" system, but this is misleading because it implies the colleges owe some kind of allegiance to the university. Legally, they do not. Yet astonishingly, the clumsy and antiquated system by which the university is merely one institution among many; a single voice faced by 30 or more independent colleges, has managed to adapt to the arrival of large numbers of scientists, the admission of women in formerly all-male colleges, the ravages of inflation, the massive growth in numbers of graduates, and an even faster growth in research students.

Oxford is still the country's second biggest university, after London. Of course, Oxford's relative position has slipped over the decades. In the 1920s, it had 4,000 students and 350 academics, accounting for nearly 10 per cent of the British university population; by 1983-1984 the university housed 12,849 students (9,319 of them undergraduates), just under 5 per cent of the national total.

Oxford is, however, a skewed university. More than half its students are

studying the arts or, more surprisingly, the physical sciences. It has 7 per cent of all the arts undergraduates in Britain and 5.6 per cent of all the undergraduates studying the physical sciences, half as many again as at Cambridge (although Cambridge has a far larger engineering school than Oxford). At the postgraduate level, the figures are even more startling: 988 graduates are researching their doctorates in the arts at Oxford, more than 20 per cent of the total for Britain.

These figures provide the (correct) impression of a deeply divided institution. On the one side are the traditional arts dons, their way of life based up profoundly in the colleges. Their faculties historically are weak but attract the best students at both undergraduate and graduate level, not because the courses they offer are more stimulating or more logically structured but by the sheer marketability of an Oxford degree in an increasingly competitive world. On the other side are the scientists and medicals, their reputations bound up with their faculties but attached more loosely to their colleges.

This split is not new. Franks noted: "The scientists brought into Oxford a departmental organisation which, though not quite like that found elsewhere, provided nevertheless a centre for loyalty and a system of administration to rival that dominance of the colleges which had lasted from the 16th century."

The growing numbers of students must, to an increasing degree, be housed by the colleges themselves.

The colleges have coped through a massive programme of buying or building so that most students now get two years in college accommodation at a less-than-economic price.

Yet, in 1964, the 31 colleges seemed totally unable to face the burdens involved. They had a total income from endowments of only £27m. Seven rich colleges accounted for well over half the figure, and the bottom 13 a mere 10 per cent of it. Twenty years on, the position has been revolutionised.

Total income — on the basis employed by Franks — has been multiplied more than six times to nearly £17m, over four times the university's own income. The richest colleges have more than kept pace with inflation, but the poorest 13 have seen their incomes rise more than 11 times, to over £3.1m. In some of the more dynamic — like Hertford and St Hugh's — incomes have risen nearly 20-fold.

Despite the pressure for more accommodation, student fees supplied an increasing source of financial surplus. The size of fees used to be left to individual colleges (some of which were shockingly greedy), though since the Franks report they have largely been standardised. But the general level was inflated as a result of a long argument in which the civil servants from the Department of Education and Science proved no match for the joint team of bursars fielded by the Oxbridge colleges. Students say the bursars unanimously are profitable (as they should be: an average of £2,000 a head for a 24 week academic year), and the bursars of graduate students herded into their Middle Common Room even more so.

Even today, however, there is an enormous gap between, say, Merton, with taxable income of over £1m to divide between just over 300 students, and a college of similar size, St Peter's Hall,

with a mere £171,000 to spend — although, as one bursar put it, "looked at from Salford, even the dons at St Peter's are doing jolly well." But even the comprehensive figures provided by the colleges as one result of the Franks report tell only part of the story. For one thing, the colleges' financial burdens vary greatly, and not only because of their size. Christ Church has a cathedral to look after as well as (like New College and Magdalen) a large choir to pay. But, in general, their biggest burden is the substantial sums paid to the Fellows in addition to their salaries as university lecturers.

There are no Senior Lecturers and few Readers at Oxford; but the university takes care of its own. There is an agreed sliding scale so that all dons automatically reach a joint maximum stipend, roughly equivalent to a Reader's salary of over £30,000, generally in their early 40s. Whatever their subject or college, dons are better off than their counterparts in any other British university. Although they do more teaching, there are more of them: Oxford's 2,050 full-time academic staff give a student-teacher

ratio of 6.3 to one, against a national average of 7.2; and not only is their pay better but they also enjoy a wide range of fringe benefits.

That puritan Roundhead, Lord Franks, wanted to slash these too, but his proposals conveniently were forgotten in what remains a Cavalier university. Guests at college dinners believe dons eat and drink lavishly all the time; they don't, and they pay something for their keep. Nevertheless, the social apartheid that separates them from the students includes different and superior food and drink — "common table" and "hospitality" cost the colleges £1.4m in 1983-1984 (although unemployment has ensured that colleges remain staffed adequately: "Monetarism saved the college system," says one bursar).

Apart from their index-linked pensions, the biggest benefits for dons are in housing, with an allowance of between £1,000 and £2,000 a year; books, perhaps another £500 annually; a room that costs the college about £1,200 a year; and the opportunity to earn sums varying from a few hundred to a couple of thousand a year by doing odd jobs in college rang-

ing from archivist to treasurer of the student clubs.

The bachelor dons who live in college as their founders intended are even better off. They are a shrinking minority, but — and this is one of the weaknesses of the college system — they are typical of an older breed who tend to exercise an undue influence. Often, they are the less distinguished older dons, generally in arts subjects, bored with research, teaching the same courses for several decades, and living in a womb-like security that resembles (albeit more luxuriously) one of the half-way houses designed to help those leaving a closed environment like a prison or a mental hospital.

At its best, meticulous concern for every aspect of the college's fabric and activities reflects a high-minded involvement in the affairs of the "fellowship." But membership of many of the innumerable college committees (which can occupy up to three afternoons a week during term time) too often is a reflection of the inevitable results of the division into colleges: a massive waste of financial and — presumably valuable — human resources.

This waste-by-fragmentation is compounded by the lack of pressure on the richer colleges to deploy their financial resources for immediate gain. This emerges clearly from the accounts. In the top ten colleges all relied heavily on income from land and property, which often dated back to their mediaeval founders. These have proved excellent investments; and colleges which switched out of land into equities during the 1960s (like Magdalen) have tended to underperform financially. "Land is bursar-proof," says one cynic; but property yields very little and costs a great deal to administer.

The colleges as a whole pay no less than £1.5m to outside agents and managers, not counting the £4.6m paid to internal administrative staff. A college like St John's, for example, with an enormous amount of residential property, pays £943,000 of its £1.4m gross income from property in repairs, fees and other charges.

College accounts, unlike those provided by the university, do not provide a detailed figure for capital values. The colleges' property could well yield an average of 3 per cent; so the £11.5m gross income probably represents a capital value of well over £300m even at today's reduced prices for agricultural land. Similarly, assuming an average yield of 5 per cent, the £9.3m in dividend income probably represents a capital value of £200m.

However, the argument against the college system as it now operates, is not primarily the waste and duplication. Oxford is an academic institution; and any proposal designed to weaken the system by forcing the colleges to contribute more to the general running of the university must be based on an academic *raison d'être*. Those faculties with the best reputations (notably medicine) tend to be those with the weakest links to the colleges — the pre-clinical medical department attracts 17 per cent of all the research grants in the country and Oxford chemistry is among the biggest and best in Britain.

There also is a rumbling dissatisfaction with the way the university is run, a revolt against the traditional norm which also was represented in the anti-Thatcher

majority. There is a feeling that, as an administrator put it, "the whole is very much less than the sum of its parts." For instance, colleges spend £1.3m on their libraries, often buying books at the whim of the fellow who happens to be librarian, while the poor Bodleian Library has a mere £846,000 to spend on books and faculty libraries in arts subjects either do not exist or are recent creations.

Further, there is a good deal of evidence that whenever the university has been strengthened *vis-à-vis* the colleges, only good has resulted. As a result of Franks, colleges were forced to find fellowships for all university lecturers, and the colleges no longer have any real freedom when appointing to "their" lectureships.

Even more recently, the colleges have lost more freedom: every post as it becomes vacant is placed on a Register of Suspended Posts and is filled only when a university committee decides it is needed. While most positions are filled as a matter of course, some like the chair of ecclesiastical history, have been vacant for some years. For the first time, the university can exercise some control over the balance of subjects being taught.

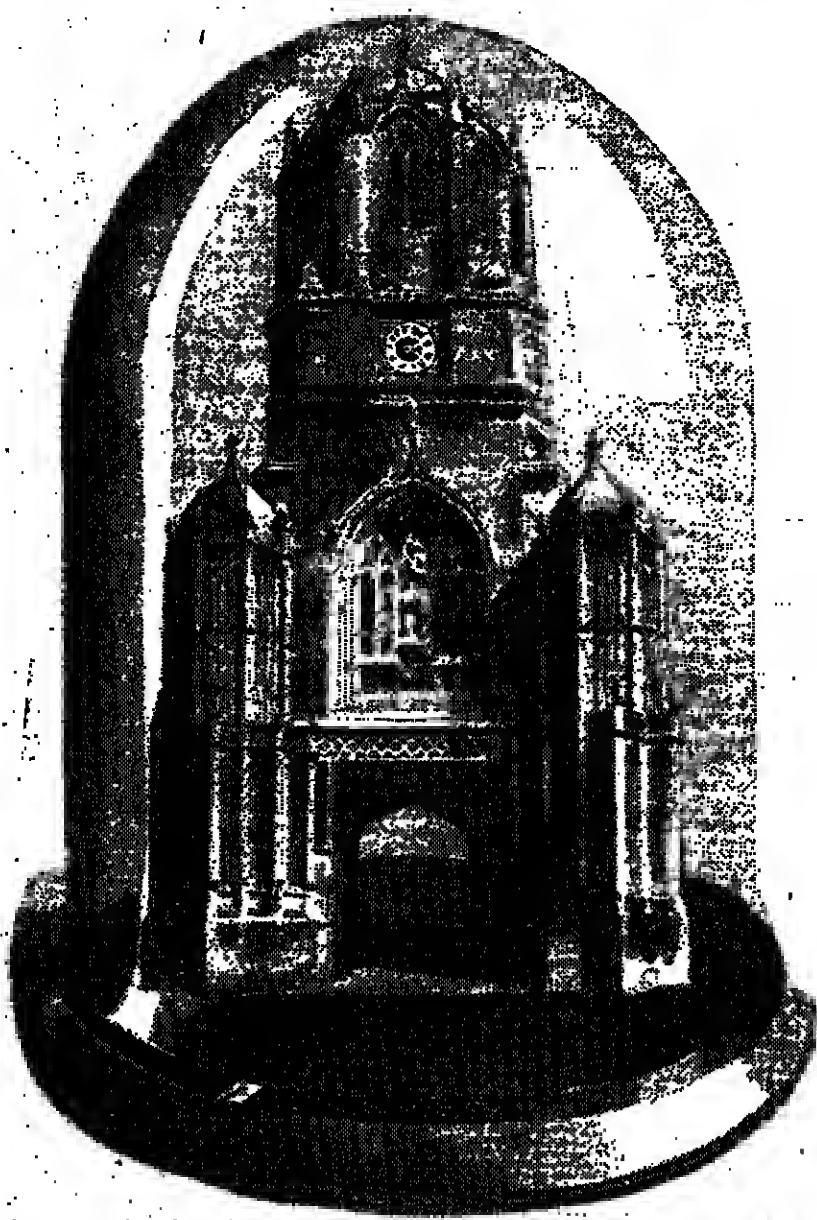
Of course, the college system provides an intimacy and intensity of teaching not available in any other system. This is the glory of Oxford. But the benefits need not be incompatible with a greater integration of college and university. For purposes of argument, if the government were to exert pressure — perhaps through the £42m basic grant — the colleges evidently would be forced to rally round the university. This would cause a re-think — a separation of the real advantages of the college structure from the froth of such things as college feasts; and, what is perfectly feasible, a concerted attempt to make the college's assets yield more immediate income.

It might even produce a change in the colleges' social structure. Already the new ones catering for graduate students are developing habits alien to their more orthodox brethren. Wolfson, in particular, is hailed universally as a New Model College, where even the non-academic staff share the same food and facilities as the dons and graduate students. Such a change would, after all, merely be a new fundamentalism — a return to the purity of the Middle Ages before the Fellows in the 16th century, started awarding themselves "dividenda" out of the endowments.

In those days, the Fellows felt themselves accountable to God. Now — apart from usually token gestures to support chapel services — they no longer feel obliged to justify themselves, or their colleges' wealth, to anyone — "a corrupt and self-perpetuating oligarchy" was how a certain Professor Darlington described them in his evidence to Franks.

He was being unfair: when pressure has been placed on them they do respond; the richer colleges pay their taxes and All Souls, that bastion of old Oxford, did change its ways as a result of the mauling it received from Franks. Most college Fellows are simply unaware of the wealth for which they are responsible and are, thus, unconscious of the contrast between the public academic squalor they so loudly deplore and their own private collegiate affluence.

Many of them — including (and especially) those most vocal in their opposition to Mrs Thatcher — might welcome an opportunity to mobilise their colleges' resources more efficiently in order to support the academic cause if the public money now used to pay their students' fees or their university salaries were diverted to poorer institutions. The Prime Minister, still denied her degree, would be the first to see this as a very special sort of privatisation.



Glyn Boyd Harte

The Long View

Mr Baker aims to change the world

WHEN Mr James Baker, who used to run the Reagan White House, and Mr Donald Regan, who used to run the U.S. Treasury, swapped jobs at the beginning of the second Reagan term, there was very little excitement, even in the U.S. A few knowledgeable locals pointed out that Mr Baker was rather good at getting on with Congress, while Mr Regan tended to put people's backs up, and rightly forecast that the President might be in for a sticky time; but most comment outside the U.S. was either on Tweedledum and Tweedledee lines, or a blank James Who?

Mr Baker could probably still stroll into a meeting of European bankers or politicians largely unrecognised, for he is like a thousand other successful, sober-suited lawyers, except that he is rather better looking. They will by now have a very clear idea of who he is, though.

If this is news to you, you should perhaps read the foreign pages more closely: it is going to be an increasingly rewarding habit as long as Mr Baker is around. It is just nine months since he moved to a post which is usually a kind of policy graveyard; even Americans would have a hard job reciting the names of the last four Treasury Secretaries, while over here it is quite an effort to remember Mr Regan's predecessor, to complete a set of three (It was Mr William Miller, and even if the name rings a bell, can you remember any of his policies? Benign neglect — that was the man).

In those nine months, Mr Baker has made some striking moves both domestically and internationally. He has proposed the most radical reform of taxation tried anywhere, and may well get quite a bit of it enacted, and he might yet prod Congress into measures which

Although his arrival was unheralded, Treasury Secretary James Baker has devised a range of radical initiatives which signal a change in economic philosophy, says Anthony Harris



really could cut down the U.S. deficit quite sharply. In the international arena he has taken the first large step back towards managed exchange rates, and is trying to win the banks over to the idea that the best way to help international debtors is to lend them some more.

Although all he has definitely

achieved so far is a sharp fall in the dollar and a sharp rise in the Japanese yen (and the move in the yen, after years of insurmountable Japanese stonewalling, really does show some muscle), it is a formidable agenda. All the things Mr Baker wants to do will have a large effect on other countries. Take the tax reform, for a

start. The basic thrust of the reform is to simplify the system and cut rates by eliminating the loopholes which infest the 2,000 page American tax code. There would be much less shelter for borrowers, and less tax on investment income, so interest rates would tend to fall.

This would help dollar debtors outside the U.S., and indeed Mr Baker's Treasury — all the borrowers who have no U.S. tax to evade. If the U.S. was less attractive for flight capital, the U.S. would become more competitive and the danger of protectionism would recede.

An attack on the federal deficit, if it were successful — or even if it is simply expected to be successful — will also help to bring down interest rates and correct the over-valuation of the U.S. dollar; but it could also be a threat to the world economy. If we have a massive U.S. fiscal deficit, with no offsetting action anywhere else, the world slowdown could turn into a deep world recession.

Even the IMF, usually the arch-enemy of all government borrowing, recognises this, and is leaning on the Germans and the Japanese especially to loosen up a bit. Some of them seem to be getting the message; Dr Karl-Otto Poehl, of the Bundesbank, has recently spoken kindly of reflation; but they may wish to wait and see if Mr Baker and Congress can actually deliver a tighter budget before they move.

In Britain, where Mr Nigel Lawson seems to be basing his policies on an unfashionably bullish view of the world economy, to judge by the speech he sent to Seoul, nails may be worn closely-bitten in the Treasury over the next few months.

However, it is Mr Baker's international initiatives which

will have both the most immediate and the most fundamental effect on the climate for investors. On the face of it, a bit of intervention to push the dollar down, and a bit of twisting to help the debtor countries may seem like quite modest, one-off applications of common-sense.

However, once you start intervening in free markets, you face a dilemma: unless you go on intervening, the effect wears off very quickly. The effects in this case — heading off U.S. protectionism, and allowing Latin America room to breathe — are rightly seen by the U.S. Administration as vital interests for the whole free world, so Mr Baker is unlikely to shrink from some more interference with free financial markets when that becomes necessary.

Mr Baker, in short, has taken the first steps on a road that leads towards the world of the 1960s, in which exchange rates and international capital flows were the objects of government policy, rather than being left simply to market forces. He will be urged in that direction, not only by the logic of events, but by the growing Congressional pressure for radical monetary reform.

The implications of such a change for investment are much too far-reaching to spell out here. We are already getting used to some of them — watching the exchange rate rather than the money supply as guide to interest rates, for example. Others, like the revived importance of the trade figures, are already being aired in the City.

We may also have to unlearn much of the conventional wisdom of recent years — a subject worth exploring another time. Meanwhile, I will close with the message in the headline: Watch Mr Baker. He matters.

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MARKETS

Top-up clause breaks new ground in takeovers

THE EQUITY market was a bit like the Conservative Party's Blackpool conference this week — it started off limply but perked up as the days progressed. Share prices gently eased throughout the first three days, any thoughts of an early cut in interest rates being finally dispelled by Tuesday's money supply figures. However on Thursday and Friday the market made up for all the spring-back and the 30-Share Index closed last night in high ground.

As long as sterling stays around its current level and there are no nasty surprises from the corporate sector the market looks reasonably firmly placed for the moment with bid activity providing plenty of spice.

That most aggressive of acquisition-minded house-builders, C. H. Beazer, has introduced a new tactic in the UK takeover scene. On Wednesday it pounced up with a tender offer for 25 per cent of SGB, one of the country's leading scaffolding groups, in a move to lift its stake to 29.9 per cent — an ideal spring-board to launch a full takeover.

Because it wants to issue shares — 16 of its own for every 100 SGB — Beazer has had to make a direct offer to SGB's shareholders rather than raid the market directly.

While this is all rather unusual in London, the unique bid is the introduction of an escalation clause. Although Beazer has said it will not bid for at least three months, if it does choose to enter the fray within the next year shareholders who accept the tender offer now will have their payments topped up to match the eventual bid price.

And that Beazer will eventually shoot for the whole of SGB is a racing certainty. The West Country construction group began its quick-fire growth by acquisition four years ago and it hardly paused for breath until this year. In the 12 months to January no less than five bids were made and yet all have been quiet in 1985 apart from a £20m rights issue.

Sn Brian Beazer is probably keen to get going again, which makes one wonder why he is not going for SGB now as raising the ante would evidently present no problem. By waiting three months the defence can only get stronger.

SGB has been a dull performer in the past but the City is fairly sure that problems in the U.S. and Australia have been contained and even before the bid at least one broker had increased his forecast for the year just ended to nearly £134m pre-tax and had put in around £164m for 1985-86, suggesting 25p of earnings and a single-figure p/e.

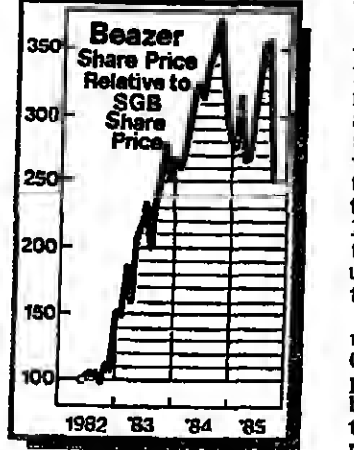
On that basis the shares look inexpensive, with or without a bid. Investors may rightly be tempted to stay with SGB although the chance of a quick profit—the shares were only 160p before the Beazer move—could prove irresistible. But those who want out should take the tender opportunity and hope for a top-up from a bid next year.

One takeover which looks far more straightforward—and has the attraction of actually being under way—is the £39.5m equity and cash bid by Clayform, a young USM property and retailing group, for Owen

Owen. Liverpool-based department store chain.

In August, when Clayform took an 11.6 per cent stake for £3.3m, the market was reasonably convinced that it would only be a matter of time before Owen. Owen's management would have to man the barricades. Since then the two sides have been talking behind the scenes though the lack of agreement is obvious in Clayform's unwanted offer.

The defenders have quite a task on their hands. The profits record is indifferent and the early 'eighties were pulled down into the red by heavy losses on department stores in Ontario. The group finally extricated itself three years



ago, although the management will probably argue over the coming weeks that shareholders have yet to see the group's real potential. Last month interim losses of £147,000 were reported against £798,000 and the directors' forecast a "marked improvement" over the previous year's £1.3m profit. In its heyday of the late 'seventies profits were over £3m.

The attractions for Clayform

are two-fold. Some of the 21 stores could be retained to extend its retailing activities—it has recently bought three stores in Yorkshire and claims to be doing well—while the rest offer plenty of potential for redevelopment. In fact much of the battle will probably turn on asset values as the profits record is not going to help Clayform at bay for long.

The defenders may have a solid fortress to retreat to, however. Two-fifths of the equity is in the hands of three families, if they stand united the bidder could be seen off without the help of a white knight.

Sears has yet again managed to disappoint its shareholders. Interim figures this week showed pre-tax profits up by just 10 per cent to £88.3m including an initial contribution from Foster Brothers, worth £2.5m before finance costs.

The problem area for the second summer running turned out to be shoes. A year ago Sears was complaining that the fashion for plastic moulded shoes—jellys—had sinned margins leaving footwear profits £2.4m lower at £30.2m. This time around the division's trading profit has slumped to £23.5m.

To an extent the 9 per cent setback in UK trading profits at British Shoe Corporation can be blamed on bad luck—it cannot be responsible for the weather and it is hard going selling sandals when it is raining. Excuses in the U.S. may be a little thinner. Profits fell from \$6m to nothing. Butler is undoubtedly operating in a cut-throat market but Ward White fared better.

Anyway, it might be wrong to read too much into the first half from footwear which is notoriously seasonal and, after all, its poor showing disguised some incredible figures elsewhere. Department and multiple fashion stores doubled their interim profits (including Foster) and if the footwear interests are stripped free, the underlying growth rate was close to 50 per cent.

Assuming British Shoe comes right in the second half the City's earlier forecasts of £200m pre-tax for the year might not be far wrong. But whether it turns out to be £200m or the now popular figure of £190m, is academic in terms of rating the shares. The prospective earnings multiple is a couple of points below the sector average, which is fair after the earlier false dawn. Yet the shares could soon look attractive if British Shoe can return to a "normal" year in 1986. The sync will, however, suggest that by then something else will have gone wrong.

and rail should be on the rise again after a rough 1984. New contracts in New Zealand and Singapore should see profitability rising. On the engines side standing still seems the order of the day as Hawker retrenches to the face of a contracting market.

Aerospace, mainly Australia and Canada, could be most hurt

by currencies this time due to the 21 per cent drop in the rate of the £/\$ against the pound. However, underlying growth in the repair business in the two countries looks good.

In the UK, mining-related business will be picking up after the end of the strike but the rate of improvement will be slow given the pace of change at the NCB. In the U.S. the new coal law has been put into EASO but margins could be hard to hold at the 10 per cent level.

JARRISONS & CROSSFIELD chairman has already warned of

HIGHLIGHTS OF THE WEEK

	Price	Change	1855	1865
	Today	on week	High	Low
FT Ordinary Index	1,037.5	+11.0	1,037.5	911.0
Abbeys	103	+13	103	50
Abney Corporation	122	+18	122	614
British Aerospace	480	+25	483	295
Burmah Oil	316	+12	318	300
French Kier	213	+24	213	117
Guinness	306	+13	306	225
Higgs and Hill	432	+27	432	280
Homa Counties News	105	-28	171	108
Mercantile House	243	-30	367	215
Metal Box	515	+30	515	375
Noble and Lund	55	+244	56	10
Northern Electronics	215	-50	305	200
Oil Search	424	-144	451	10
Owen Owen	455	+40	470	178
RMC	444	+18	444	344
Rustenburg Platinum	540	+50	805	470
SGB	220	+58	224	134
Sparrow (G.W.)	70	+31	72	30
Westland	83	+18	151	58

Tips, hints and a touch of audacity

WHILE cocksure Clayform Properties, which joined the USM only six months ago, launched an audacious bid this week for the larger and fully listed Owen Owen department stores group, behaviour elsewhere on the USM was more to keeping with that of a very junior market insider.

The great and irrational swings in share prices that were commonplace in the market's early days have not been stamped out altogether. Indeed, the best performer over the past fortnight, Real Time Control, has seen its share price rise by 75 per cent based on nothing more than a tip sheet recommendation.

Such surges are good neither for ordinary investors nor the company, and give the market a thoroughly bad name. Mercifully, however, they are becoming rarer.

As one jobber in Real Time Control commented: "We don't normally bother about the tip sheets, but this one really seems to have got them going. I just don't understand it."

Raising no such problems of comprehension were the strong markets this week in the shares of Cannon Street Investments and Leisure Investments. Both companies came quickly to the USM early this summer by way of an introduction. Both have been trying to shake off colourful past histories, each containing the loss of a full stock market quote and an uncomfortable close brush with the receiver. Now, both have underlined their new respectability by turning in a powerful increase in profits, and each is

dropping heavy hints about plans that could eventually have a dramatic effect on its future.

Leisure Investments, formerly Doloswella Holdings, last year made its first decent profit in about a decade. The company, which in the 1960s ran rubber and tea estates in Singapore, has since then been in and out of provincial casinos. More recently, and under new management, it has moved into amusement arcades, first in the Midlands and then the south. Now, the company owns six

USM

UNLISTED SECURITIES MARKET

arcades (which it prefers to call "leisure centres") and eight plushy smoocher clubs.

On Monday, Leisure Investments announced profits for the year of about £400,000, a six-fold increase over the previous year's figure. The company's shares, which joined the USM at 25p, are now 52p, a high of about 37p. However, chairman Stephen Forsyth can execute his plans, within two years smoocher clubs and leisure centres will be an insignificant part of the group.

"We model ourselves on Pleasurama," says Forsyth, modestly. He has a whole series of schemes up his sleeve to transform the company into a more broadly based leisure group. One of these is a leisure mail concept, which, Forsyth claims, will "open up a whole new era in leisure."

The concept is based on the out-of-town shopping mall, but instead of being filled with stores it will be crammed with discos, cinemas, betting shops and pubs. Forsyth has his eye on some sites on the outskirts of London, has commissioned a

design for the building, and is to approach local authorities soon for planning permission.

A dream somewhat closer to realisation is the development of a leisure complex out of the disastrous dolphinarium at Oxford Circus. The scheme is being held up by a dispute with Pleasurama, responsible for the dolphin disaster, as to who should bear the cost (which could be nearly £1m) of filling in the dolphinarium.

However, Forsyth is confident not only that Pleasurama will pay the bill, but that, within a year, the centre will be bustling with all manner of diversions including 24-hour breakfast bars, a smoocher club and a disco.

Meanwhile, Cannon Street Investments, a casualty of the secondary bank crisis, has spent the past 11 years working to repay the huge debts that resulted from the collapse of its banking subsidiary.

The company now runs three other subsidiaries, by far the largest of which is a Dutch distributor of laboratory equipment. The other two, one of which makes flowerpots and the other Christmas hampers, both are profitable (although, as usual, hampers did not contribute to first half profits, which were up 50 per cent to £300,000).

Cannon Street's chairman, Bill Hislop, hints that he is on the point of announcing acquisitions that will "far advance" and will "transform the group." He has in mind a series of small companies to take over the existing subsidiaries, as well as larger ones—making annual profits of over £500,000—that would take Cannon Street into new areas.

Hislop is not frightened of taking on more borrowings, but says larger acquisitions will be paid for mainly with paper.

Lucy Kellaway

COMPANY NEWS SUMMARY

TAKE-OVER BIDS AND MERGERS

Company bid for	Value of bid per share	Market price	Price before bid	Value of bid	Price before bid	Bidder
Abbeys	8815	107	90	17.11	17.11	French Kier
Arlington Motor	224	225	16711	10.50	10.50	Unigate
Baltic	2871	273	260	33.95	33.95	A/S Nevi
Capital TV	605	60	6011	6.00	6.00	Crown Intl Prod
Cass Group	135	135	130	7.80	7.80	Telephone Rental
Dufay Rittumste	561	54	47	9.28	9.28	Ralon Group
Durand	3323	361	345	224.16	224.16	Utd Newspapers
Friedland (Gart)	320	315	213	18.94	18.94	HK Electric
Insight Group	1584	156	138	11.57	11.57	Hawley Group
Maynards	4001	380	355	10.85	10.85	Ward White
Noble & Lund	30	28	1	1.71	1.71	Gales Tech Inds
Owen Owen	4123	455	415	35.55	35.55	Clayform Prop.
Phillips Patents	361	60	54	2.37	2.37	Brenner
Security Centres	137.55	144	100	21.53	21.53	Automated Security
Sparrow (G.W.)	664	70	48	6.57	6.57	B.E.T.
Somportex	281	120	27	0.79	0.79	Messrs N. Wray & C. Matlock
Spear & Jackson	220	318	168	12.37	12.37	Neill (James)
Stewart Plastics	134	128	112	30.46	30.46	Bund
Towngrade Secs	324	35	37	1.67	1.67	Midbank Dev

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Unconditional. ** Based on October 11 1985. †† At suspension. §§ Shares and cash. †† Related to NAV to be determined. |||| Loan stock. §§ Suspended.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)	Earnings* per share (p)	Dividends* per share (p)
Abingworth	June	496	3.85	2.4
Balloy, Sea	June	741	(449)	—
British Channel	March	1,430L	(801)	—
Brit Sec Group	June	731	(532)	5.9
Cass Bros	July	2,110	(1,360)	10.5
Druck Higgs	June	1,760	(1,360)	14.7
Ferry Pickering	June	1,610	(1,311)	8.9
Global Group	May	312	(811)	4.1
Grosvenor Group	June	1,060	(1,065)	12.1
Halstead, J.	June	3,070	(2,180)	12.9
Leisure Inv	June	405	1,150	—
Peak, C. W.	Apr	652	(900)	—
Perkin Elmer	May	3,340	(2,940)	52.5
Photo Me Intal	April	5,470	(4,521)	90.7
Procter & Gamble	June	12,300	(13,500)	—
Sander, Murray	June	142	(107)	5.7
Stclair, W.	June	1,650	(741)	20.4
Thorpe, F. W.	June	1,110	(1,040)	20.4

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)	Interim dividends* per share (p)
Arcotric Ridge	June	148	(154)
Elton, Perry	June	5,150	(5,010)
Rowthorne Higgs	June	11,450	(9,370)
Bruntans (M&I)	June	404	(375)
Calrd, A.	July	90	(185)
Campari Intl	May	1,200L	(25)
Caparo Prop	June	689	(225)
Caparo Ind	June	222	(1,300)
CCA Galleries	June	255	(121)
Christies Intl	June	7,121	(7,490)
Comcap	June	1,530	(1,043)
Cury, Horace	June	46	(520)
Cullen's Higgs	Sept	855L	(—)
Denora	June	673	(612)
Elswick-Hopper	July	184L	(285)
Equity & Geal	June	478	(443)
Falcon Res	June	138L	(35)
Farmer, S. W.	June	294L	(16)
Fortnum & Mason	Aug	110	(63)
Fothergill & Hrvy	June	1,400	(1,260)
French Kier	June	7,350	(6,230)
Hay, Norman	June	207	(263)
Higgs & Hill	June	3,850	(3,230)
Holt Lloyd	Sept	3,100	(2,890)
Home Count News	June	324	(321)
Hunter	June	407	(120)
Istock John	June	4,530	(4,650)
Jerome, S.	June	314	(131)
Johnston Group	June	1,920	(1,890)
Kingsey & For	June	747	(544)
London & Cont	June	1,400	(1,433)
Lyle Shipping	June	4,680	(6,110)
Mauders, John	June	2,880	(1,832)
Molins	June	2,999	(2,822)
NW Computers	June	708	(837)
Raybeck	July	1,370L	(2,510)
Rebroad	June	3,150	(2,330)
Sears	July	68,500	(62,000)
Stevens Lab	June	441	(580)
Stevens Foods	Sept	445	(211)
Sparrow, G. W.	June	1,780L	(1,520)
TDS Circuits	Aug	404	(1,260)
Thurcar Bardex	June	101	(56)
Turris Corp	June	421L	(508)

(Figures in parentheses are for the corresponding period.) Dividends are shown net of taxes per share except where otherwise indicated. † Corresponding figures are for 10 months. L Loss.

RIGHTS ISSUES

Brasway—To raise £1.2m through a one for three rights issue at 55p.

SCRIP ISSUES

Ferry Pickering—One for 10.

OFFERS FOR SALE PLACINGS AND INTRODUCTIONS

Our Price—Placing of 1.5m shares at 55p.

Financial Times Foreign Exchange Year Book

Data for January – December 1984

- Daily spot rates for 1984
- 5-year averages, highs and lows
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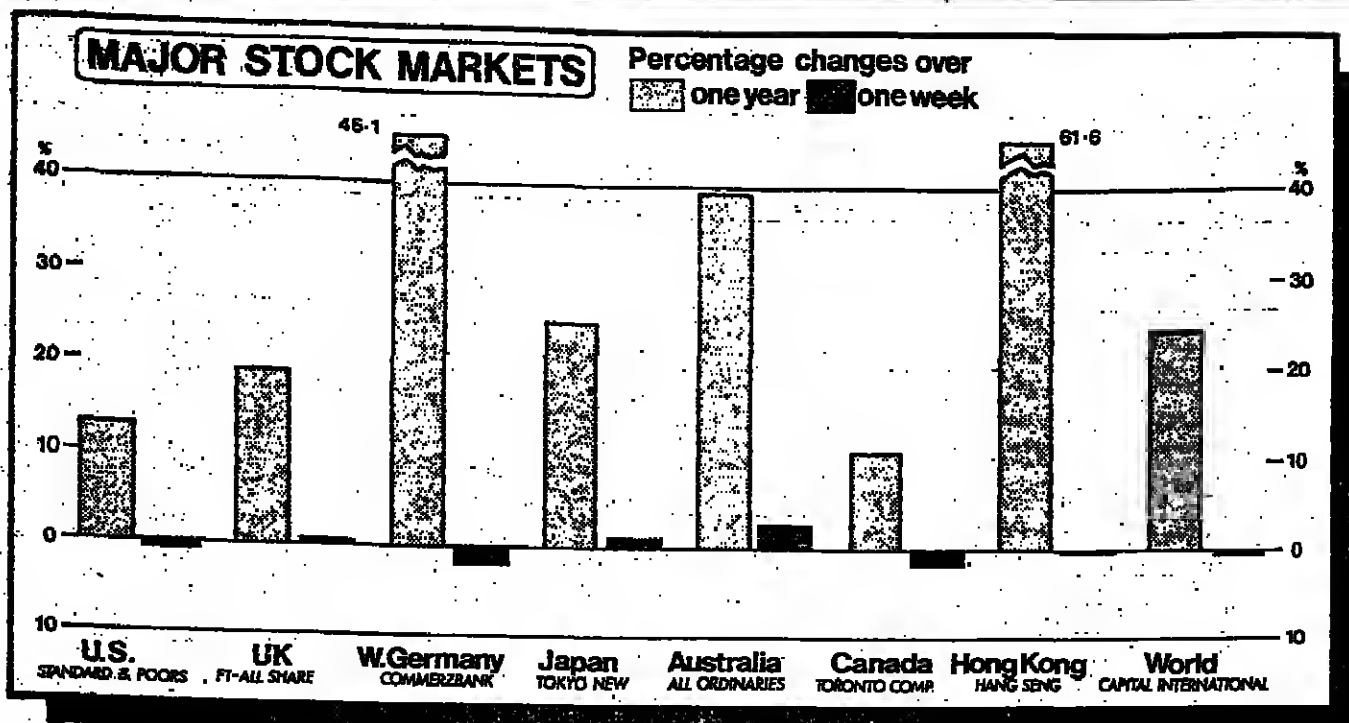
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	Quoted rate %	Compounded return for taxpayers at			Frequency of payment	Tax (see notes)	Amount invested £	Withdrawals (days)
		30%	45%	60%				
LEARNING BANK*								
Deposit account	6.00	6.09	4.73	3.48	half yearly	1	—	0-7
High interest cheque	8.25	8.51	6.69	4.66	quarterly	1	2,500 minimum	0
3-month term	7.81	8.04	6.32	4.39	quarterly	1	2,500-25,000	90
BUILDING SOCIETY*								
Ordinary share	7.00	7.12	5.60	4.07	half yearly	1	1,250,000	0
High interest access	8.75	8.73	6.84	5.00	yearly	1	500 minimum	0
90 day	9.50	9.74	7.61	5.36	half yearly	1	500 minimum	90
Premium	9.40	9.74	7.63	5.36	quarterly	1	10,000 minimum	90
NATIONAL SAVINGS								
Investment account	11.50	9.95	6.33	4.60	yearly	2	5,500,000	39
Income bonds	12.25	9.86	7.73	5.62	monthly	3	2,000-30,000	90
31st issue	7.83	7.83	7.83	7.83	not applicable	3	25,5,000	8
Yearly plan	8.19	8.19	8.19	8.19	not applicable	3	20,200/month	14
General extension	8.52	8.52	8.52	8.52	yearly	3	—	8
MONEY MARKET ACCOUNTS								
Money Market Trust	8.64	8.83	6.94	5.04	half yearly	1	2,300 minimum	0
Schroder Wagg	8.33	8.63	6.80	4.84	monthly	1	2,500 minimum	0
Provincial Trust	8.60	8.95	7.03	5.11	monthly	1	1,000 minimum	0
BRITISH GOVERNMENT STOCKS*								
10% Treasury 1987	10.64	6.97	5.15	3.33	half yearly	4	—	0
11% Exchequer 1990	10.96	7.14	5.44	3.74	half yearly	4	—	0
11.25% Exchequer 1995	10.66	7.43	5.83	4.22	half yearly	4	—	0
3% Treasury 1987	8.39	7.20	6.65	6.11	half yearly	4	—	0
3% Treasury 1989	8.38	7.41	6.92	6.44	half yearly	4	—	0
Index-linked 1985*	9.24	8.61	8.30	7.98	half yearly	2/4	—	0

Levy's Bank. * Halifax. † Held for five years. § Source: Phillips and Drew. † Assumes 5 per cent inflation rate. ‡ Paid after deduction of composite rate tax, credited as net of basic rate tax. § Paid gross. 3 Tax free. 4 Dividends paid after deduction of



The little magic that never arrived

WHILE the world's finance ministers were meeting this week in Seoul—minus, of course, the weighty presence of Nigel Lawson, the UK Chancellor—the U.S. financial markets were marking time, waiting for some news that never came.

What they wanted to see was further proof that the industrialised nations would go a step further in the programme to force down the dollar in an orderly fashion. As the ministers did nothing, the U.S. currency drifted up, equities meandered sideways, and the bond market remained bogged down in pre-Treasury funding gloom.

There can be little doubt that the U.S. stock market now believes that a lower dollar is a necessary precondition for renewed growth in the U.S. and world economies, and for an increase in equity prices.

In a commentary on the issue this week, Mr. Barton Biggs, of Morgan Stanley, outlined a programme which he claimed to have had explained to him by an official source, and which is supposed to end in an international "snake" agreement ending with the dollar at around DM 2.35 and ¥200.

If this occurred, he said, it would help correct the disruptive effects of floating currencies, open up prospects of a "new period of economic growth," and turn parts of the U.S. stock market into a "great buy."

The problems posed by the dollar could not have been more clearly underlined than

in the flat third quarter results from General Electric this week. As the sixth largest U.S. manufacturing group, and the first big industrial concern to report in the quarterly round, GE's results pack a punch, and Mr. Jack Welch, chairman, delivered some heavy uppers—on the dollar question.

Despite the recent slip in the value of the U.S. currency, he said, the dollar still stood 50 per cent above its 1980 rate, and remained a distinct depressant on the performance of U.S. manufacturers.

Mr. Welch went on to hit out at another target—the stalemate in Washington over tax policy, which, he said, was partly behind growing caution in corporate investment plans.

This complaint is becoming increasingly widespread among U.S. businessmen, some of whom argue that the proposed reduction in investment incentives is highly harmful, while others say the uncertainty over the plans is just as damaging.

Either way, critics agree that the lack of resolution over tax is slowing down investment and causing a further deterioration in the economy.

Given these economic negatives, it might seem surprising that the equity market has stood up so well in the last few weeks, with the Dow Jones Industrial Average only briefly falling below 1800, and now floating in the mid-1820s, around 35 points below the

speculative interest in equities. On Wednesday of last week, around 20 per cent of the volume of stocks traded in the DJIA index was calculated to have involved companies that were connected in some way with takeover rumours—this week the food stocks have been under assault.

Many analysts see this as a dangerously frothy sign of market behaviour, and it is certainly giving off some misleading signals.

Wall Street

Not least of these is the strength of the DJIA itself. The equity market overall is not as strong as this blue chip index would suggest. The broader market averages, less influenced by the takeover fever, which is heavily concentrated on the heavily capitalised stocks in the Industrial Average, do not look anything like as strong.

Indeed, Mr. Philip Roth of E. F. Hutton, said that at the end of last month the DJIA was only 2.5 per cent below its all-time high, while the New York Stock Exchange Composite and the S and P 500 were 8 per cent down from their July peaks. This drop in the broader indices, he said, was the equivalent of around 150 points on the Industrial Average.

Equities are also being helped by the relative stability of interest rates recently.

Although rates are still high over a longer term perspective, with three-month Treasury Bills at around 7.15 per cent and the 30-year bond at 10.50 per cent, they are considerably lower than a year ago, and make equity yields look reasonably attractive; the current yield on the industrial average now stands at around 4.60 per cent, and on the S and P 500 at about 4.40 per cent.

Investors, however, remain extremely uncertain about what the next direction for interest rates will be. This week, the credit markets have been overcast by the long shadow of Treasury debt, as the Government proposes to issue up to \$50bn of new paper over the balance of the year.

Such a sum would be high enough at any time, but after a period of decline in the dollar, when foreigners are worried that their investment in the U.S. may suffer if the currency goes against them, the difficulty of raising this amount without higher rates could become very problematical.

This is why investors were looking for a little magic from Seoul—a world in which the dollar would come down, interest rates would remain stable, and the rest of the industrialised world would take up some of the responsibility for economic expansion.

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Terry Dodsworth

THE MOLE reappeared this week. There he was, sitting quietly on my desk, little boot-hutton eyes thoughtfully regarding me.

"Hello, Moley," I said. "Allo," he replied. "I've been having a holiday up-river with some chums of mine."

"Where else?" I countered, as an old Thames hand.

"S'right," he agreed, adding: "Much going on while I've been away?"

"Oh, the usual. Minoreto has produced another disappointing set of results, Rio Tinto-Zinc has reported a goodish first half and should do better in the rest of the year. Same applies to Consolidated Gold Fields except that in this case we're talking about full-year results."

"The Gold Fields group has also produced the first batch of South African gold mining September quarterly profits this week."

"Should have been good with the money from dollar sales being boosted by the exchange rate when converted into weak South African rands," observed the mole.

"Well, yes and no, Moley. 'Trouble was that although the mines received a record price in rands for their gold, working costs increased because of the wage rises given to the black mine workers."

"Tax bills also rose because of a seasonal falling-off in capital spending and so, what with one thing and another, net

Copper fights on

profits were lower, if anything, than those for the previous three months."

"Still," replied the mole, the companies are making very nice earnings just the same.

"Why, Placer Development's big Kidston mine in Australia has just declared its first quarterly dividend (5 cents) only six months after reaching

Mining

production. Not bad going, that. Must make the base metal mining men green with envy as they struggle with low prices," he said.

"I remember RTZ's low-grade Palabora copper operation in South Africa declaring its maiden dividend only eight months after the start of production," I replied, absently.

"Back in 1986 it was and the interim dividend payment was 2s 6d on the 10s shares that had been offered to the public at 12s 6d in 1983. A final of 4s was subsequently paid for 1986."

"Before my time," said the mole dismissively.

"So you think that the world's great copper mines can

now be written off?" I asked. "Well, they're hardly in the big money league these days—unlike some mining company chairmen I could mention," he added, mischievously.

"Yes, Moley," I said, "but RTZ's Phillip Crowson has been pointing out that much of the existing copper mining capacity is being eroded and its life shortened."

"The older mines are gradually being worked out—in fact, only the higher grade parts of some are being mined—cutting is often being made at the expense of essential development work, and very few new mines are being started."

"At the same time, demand for copper is still growing—albeit at a long term rate of only about 1½ per cent a year, according to Crowson—and low prices are helping to ward off competition from substitute materials such as fibre optics."

"Be that as it may, the trick is to buy good copper deposits cheaply and work them at low cost. RTZ is putting its money where its mouth is, such as in the recent purchase of a 49 per cent stake in Portugal's Neves Corvo copper deposit."

"Shouldn't go wrong there," said the no-longer-crestfallen mole, "what with ore reserves

of a cool 25m tonnes averaging a rich 8 per cent copper at only one per cent of the general inter-linked ore bodies."

"So you see what I mean about there still being a future for copper mining?" I concluded.

"Inevitably, I suppose, Moley played the final trump card. 'Remember,' he said, 'a couple of months ago when Broken Hill Proprietary was negotiating to buy out the stake of its partner, Texaco, in the huge La Escondida copper property in Chile?'"

"Well," replied Moley, with a quick glance around, "you said that BHP did not want to take on all the venture, which could cost over £800m to bring to the mining stage, and was looking for a partner or partners."

"And I told you that RTZ would join the party."

"Yes."

"OK, then, the word going around Toad Hall—they know their onions down there—is that it's true. They reckon that any time now we shall hear that RTZ is joining BHP as a main partner in La Escondida, and that Mitsubishi is also coming in on a smaller piece of the action."

With that the mole grinned happily, hopped off the desk and scampered back to that hole of his behind my chair.

Whatsoever next?

Kenneth Marston

Off the ropes

More than 50 sizeable new listings have resulted and the programme has raised well over C\$200 in new equity funds for Quebec-based companies. Some large firms such as Bell Canada Enterprises found the inflow of new capital almost embarrassing.

Montreal

ing when combined with its longstanding share-purchase plans.

The tax benefits have been cut in half for 1986 because of the substantial revenues being lost to the provincial treasury from the basic QSSP tax shelter for individuals. But Andre Sammer, who took over as president of the exchange this summer after a stint as provincial vice-president for Richardson Greeshields Incorporated, is convinced a permanent change has taken place and that Montreal now is in a better position to compete with Toronto.

Montreal has become very much a regional stock exchange, while extending its international tentacles in options and futures

trading. The ME has about 875 issues trading, far below the TSE and only half the Vancouver exchange, which specialises in low-value mining stocks. But besides the larger interlisted stocks, where the market is made in Toronto, the ME has developed a lively QSSP stock section. Stocks of companies which have gone public under the QSSP programme have performed better on average for the past two years than the mighty TSE-300, the national index.

The ME was the first exchange in North America to trade currency options. Its gold options line with Amsterdam, and including Vancouver and Sydney, was another first. So was trading in gold-backed certificates rather than contracts for future bullion delivery. The Chicago Board of Trade picked Montreal's market portfolio index as the basis for its Canadian stock index futures, set for introduction soon, because the ME seemed most innovative.

The ME has had to fight hard in currency options and has had trouble establishing its timber futures contract, but still plans

to go ahead with a pulp contract. Next month, it will start trading a gold futures contract that calls for delivery of cash rather than bullion, and increases traders' flexibility.

It plans soon to start an international section by introducing the stock of Le Groupe Lyonnaise des Eaux, the French-based multinational specialising in water treatment systems and chemicals. It hopes to attract ten more listings in 1986, mainly of European-based companies wanting to expand their equity base but not wanting to meet the stringent and costly standards of the SEC in Washington.

The ME and the QSC will accept the same regulatory material as these companies file in their home countries, and listing fees in Montreal are modest. The ME hopes to attract American institutional interest in such stocks and to bring investors' savings through "book-based" computerised registration rather than the costly American depositary receipts now widely used.

The stocks will be quoted in U.S. dollars; investors will trade them as if they were listed in North America and will have immediate access to all trading information.

Robert Gibbens

2 NEW FUNDS NOW THERE ARE TWO MORE REASONS FOR CHOOSING CAPITAL STRATEGY FUND



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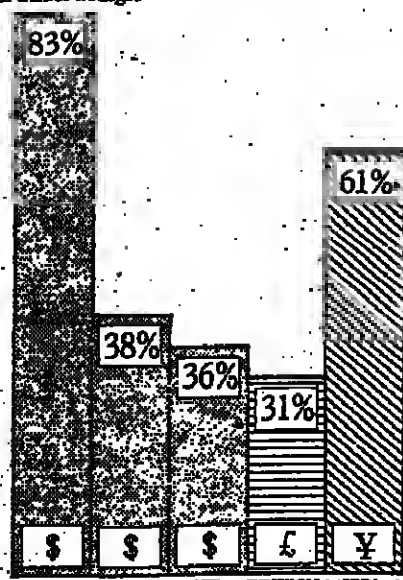
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IN THE NEWS

FIRST the ecu traveller's cheque, then the ecu bond fund. Garmore has become the first British group to offer investors the option of investing in a fund denominated in European Currency Units, an intangible currency made up of a basket of other European currencies.

Garmore is adding the ecu option to its Capital Strategy Fund, a £100m (£70.9m) umbrella fund offering investors with a minimum of £25,000 a choice of equity, currency and bond funds. Units are sold at net asset value, without a front end charge, so switching between the sub-funds is free. It is also adding a European equity fund.

The fund also pays no commission to brokers and financial advisers, unless their clients expressly authorise it – if they do, it can be paid in the form of an initial charge, a conversion charge or an annual fee.

Garmore's Peter Scott says ecu bonds are now yielding around 8 per cent, much closer to sterling gilt yields and better than dollar bonds. For a UK investor, the ecu fund does carry some risk of a currency loss, as well as the prospect of a capital gain as the ecu appreciates against sterling. Because the ecu is a basket of currencies, the risk should be less than for a

single currency – and volatility should be reduced if the UK joins the European Monetary System.

INVESTORS in the Alliance and Leicester building societies have lost out now that the two have merged, according to Building Society Choice, the monthly publication which monitors interest rates.

The new society retains some of the good features of the Alliance's and Leicester's accounts, such as the Alliance Banksave cheque account, now renamed Banksave Plus. But it has killed off the Leicester's Moneyclub for children, which offered some worthwhile discounts and freebies, and it has tightened some of the conditions attached to the instant access Gold account, the 90-day Premium Plus account and the MoneyBuilder regular savings account.

PARTIALLY sighted customers can now get large-print bank statements from National Westminster Bank. The bank already has around 1,400 customers using its in-house braille printing service, which has been running since 1976, and large-type facilities should help a great many more.

NatWest cash machines are also soon to incorporate a double beep to help visually handicapped customers to know when to press the buttons.

FOREIGN & Colonial is following Warburg's Mercery unit trust group in launching a European income fund. It is intended to yield 5 per cent gross, by investing in equities and convertibles. The fund managers have allowed themselves to put up to 15 per cent of the portfolio in bonds or convertibles, but

simply is a hidden reserve for them.

It is pointed out that new companies, in particular, should be able to keep their tax liability to a minimum, aided by the indexation concession for capital gains tax introduced in the last Budget.

Nevertheless, NEL Britannia reserves the right to impose a charge if circumstances beyond its control – such as a change in the law – makes it necessary. But it is confident this will not happen and that the removal of the "brake on investment" as the tax reserve is described, will enable the bond fund to match the performance of unit trusts.

The result, the company claims, is that the new bond will perform like a unit trust but will have the free-switching and tax-free withdrawal advantages offered by insurance bonds.

It will offer you the choice of going into a managed growth fund, income fund, or a range of specialist Britannia unit trusts.

The new bond will not be on general offer until February next year, but investors can be reserved from November 1 through professional intermediaries.

As a new company, NEL Britannia is able to absorb the capital gains tax liability by offsetting it against its own tax allowances – most new companies choose not to trumpet this, but to let it show through in the bond's performance. If the bond is very successful, the stockmarket climbs through the roof, or if the bond suffers a run of withdrawals, the policy of not allowing for capital gains might have to be reversed.

John Edwards

include no bonds in their initial model portfolio. Units are priced at 50p, with a 1 per cent discount for investments over £2,500 made before October 31. The annual charge is 1 per cent.

MERCHANT Investors, the English arm of the largest Dutch insurance group, has launched a unit-linked investment bond, called Flexible Investment Portfolio. It offers a choice of 32 unit trusts to invest in through an insurance link, as well as 10 of Merchant Investors' own funds. But it is a once and for all choice – you cannot switch from the 32 funds to the 32 unit trust options, which include managed funds composed of Henderson and TSB unit trusts. Other fund managers involved in the link are Framlington, Garmore and Perpetual.

Framlington, meanwhile, is launching its own managed fund, a Guernsey company which will invest in a portfolio of Framlington's onshore unit trusts.

LANCASHIRE and Yorkshire Investment Management is offering shares in its new Lighting and the Business Expansion Scheme. Unlike some of the companies offered in the BES, Hitech has already started trading, although it has only a one-year record to date in the low-voltage lighting sector.

The company is seeking to raise up to £600,000 at an issue cost of between 75p and 80p.

With shares priced at 150p and profits in the nine months to March 31 of £61,000, the company is being sold at a price 35 times its current earnings. Profits are forecast to rise to £171,000 next year, reducing the multiple to 18 times.

There are two main types of off-the-peg CTT schemes. One, usually called "inheritance trusts", requires the donor to set up a trust for the benefit of his heirs and to transfer money to it partly in the form of a gift and partly as an interest-free loan. The trust assets are then usually invested in a single premium insurance bond. One variation is for a large gift to be made to the trust, part of which is returned to the donor in the form of an interest-free loan.

The second category, commonly called "discounted gift schemes", requires a gift to be made to a trust effectively controlled by the donor from which he continues to receive the income until he dies. A combination of two artificial insurance policies, which mature only when the donor reaches the age of 105, is designed to ensure that the value

of his gift for CTT purposes is discounted. The younger and healthier the donor, the greater the discount.

The ICA asked the Revenue for confirmation that the new approach, formulated by the Law Lords in the case of *Furniss v Dawson*, would not be applied where there exists specific legislation to stop CTT avoidance.

However, the Revenue replied that it is fully entitled to apply both specific anti-avoidance legislation and the *Furniss v Dawson* doctrine at the same time.

The Institute also sought confirmation that the Revenue would not apply the *Furniss v Dawson* doctrine against "inheritance trusts".

In its reply, the Revenue assumed that the term "inheritance trust" applied in both categories of CTT scheme – and refused to give such confirmation. It said: "The term can be used rather loosely in the context of insurance schemes and, while some of these may be regarded as not open to challenge, others are, and cases will be going to the Special Commissioners in due course."

The cases sent to the Special Commissioners, who arbitrate on legal questions in tax disputes, are apparently to be heard early next year. The only cases that the Revenue has so far confirmed it is challenging are some of the more extreme variations of the discounted gift schemes marketed by Albany Life and Abbey Life designed to dress up a gift as a non-gift and avoid any CTT liability.

Some other types of off-the-peg schemes are also being

challenged, although the Revenue has not yet specified which. But the Revenue's Capital Taxes Office (CTO) made one point of relevance to the Legal and General Capital Preservation plan, the most popular discounted gift scheme, which has attracted about £300m of donor's wealth.

Legal and General and a few other life offices have claimed that, because the CTO has agreed with them on the value of the discount for CTT purposes of gifts paid into their schemes, the schemes will not be challenged later, for example when the donor dies.

But the CTO says: "If someone wants to have a valuation agreed with us now on the assumption that the scheme will not be challenged, we may help. But if you value something, it does not mean you are going to buy it."

We do not want unproductive arguments on our hands before any tax is assessable."

The discounted gift schemes are vulnerable because of their artificial life assurance policies. They are "artificial" in the sense that the relationship between the premiums and benefits of each one individually could not be justified on actuarial grounds. The *Furniss v Dawson* approach allows the taxpayer to strike out any step inserted into a composite transaction purely for the purpose of avoiding tax. The Revenue may argue that without the artificial life policies no gift would have been made for CTT purposes. Therefore their effect can be ignored.

The artificial element in the inheritance trusts is the interest-free loan. This might be considered as making a gift of the interest.

FINANCE & THE FAMILY

Rethink for tax avoiders

If you have been thinking of putting some of your wealth into one of the widely marketed schemes to avoid capital transfer tax, think again.

Twenty months after a House of Lords judicial clampdown on tax avoidance schemes, the Inland Revenue has dropped the first hints on how it will be applying the ruling to a variety of contentious tax subjects. In particular, a letter the taxmen sent to the Institute of Chartered Accountants for England and Wales (ICAEW), published last week, makes it clear that the new judicial approach will be applied against capital transfer tax (CTT) avoidance.

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The Institute also sought confirmation that the Revenue would not apply the *Furniss v Dawson* doctrine against "inheritance trusts".

In its reply, the Revenue assumed that the term "inheritance trust" applied in both categories of CTT scheme – and refused to give such confirmation. It said: "The term can be used rather loosely in the context of insurance schemes and, while some of these may be regarded as not open to challenge, others are, and cases will be going to the Special Commissioners in due course."

The cases sent to the Special Commissioners, who arbitrate on legal questions in tax disputes, are apparently to be heard early next year. The only cases that the Revenue has so far confirmed it is challenging are some of the more extreme variations of the discounted gift schemes marketed by Albany Life and Abbey Life designed to dress up a gift as a non-gift and avoid any CTT liability.

Some other types of off-the-peg schemes are also being

challenged, although the Revenue has not yet specified which. But the Revenue's Capital Taxes Office (CTO) made one point of relevance to the Legal and General Capital Preservation plan, the most popular discounted gift scheme, which has attracted about £300m of donor's wealth.

Legal and General and a few other life offices have claimed that, because the CTO has agreed with them on the value of the discount for CTT purposes of gifts paid into their schemes, the schemes will not be challenged later, for example when the donor dies.

But the CTO says: "If someone wants to have a valuation agreed with us now on the assumption that the scheme will not be challenged, we may help. But if you value something, it does not mean you are going to buy it."

We do not want unproductive arguments on our hands before any tax is assessable."

The discounted gift schemes are vulnerable because of their artificial life assurance policies. They are "artificial" in the sense that the relationship between the premiums and benefits of each one individually could not be justified on actuarial grounds. The *Furniss v Dawson* approach allows the taxpayer to strike out any step inserted into a composite transaction purely for the purpose of avoiding tax. The Revenue may argue that without the artificial life policies no gift would have been made for CTT purposes. Therefore their effect can be ignored.

The artificial element in the inheritance trusts is the interest-free loan. This might be considered as making a gift of the interest.

Allied's retirement advice

ABOUT 10,000 people each week reach State retirement age. Most will be completely unprepared for it.

To cope with this, several organisations have been providing pre-retirement counselling services, including such leading life companies as Legal and General, Prudential and Standard Life. Today, Allied Dunbar, the largest unit-linked life group in Britain, joins them.

Allied Dunbar is adopting a different approach and style to the others which all had a strong involvement in the company pensions business. This gave them an initial client base,

although they have expanded their services far beyond their own customers.

Allied Dunbar's involvement in the company pensions field is through executive schemes; thus, most requests for pre-retirement counselling have come from this level although lower down the managerial scale.

Counselling seminars organised by Allied Dunbar will have no more than 30 people, plus spouses, and the company will be concentrating on the financial subjects with which it is most familiar, with CTF planning being a central part. However, non-financial aspects, such

as health, housing and hobbies, also will be covered.

The basis of the course material is covered in a new handbook called *Retirement Planning Guide*. It will be available generally to compete with the host of rival publications.

Eric Short



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*The rate may vary. †Equivalent yield for basic rate taxpayers.

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Scottish Office: 27 Castle Street, Edinburgh EH2 3DN. Telephone: 031-926 3401.

Quarterly payments more attractive

So why does the Midland Bank, which pays 8 per cent net on its High Interest Cheque Account and credits interest four times a year, quote a gross equivalent of 11.92 per cent?

The answer is that Midland, like the other London clearing banks and many other banks, first calculates the gross equivalent of its basic net rate, and then compounds this figure. What it should do is compound the net rate, and then calculate the gross equivalent of that.

The subject now is being considered by the Bank of England, after complaining from some smaller banks, and it is also under discussion by the British Bankers Association; but the BBA is expected to take its time deciding. "There are technical difficulties," the association said. "It is more complicated than it looks."

The building societies, who have been doing grossly inequivalent sums without any difficulty for years, do not see the problem. "It has been agreed with the banks," said the Building Societies Association. "It is perfectly simple."

A matter of regulation

only permitted to respond to the requests of investors and are not allowed to indulge in high pressure techniques.

Eric Short

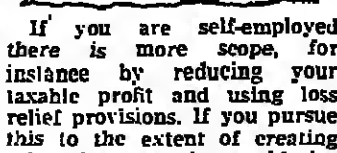
UNTIL 29

Little wonder then, Mr Rat-
tiff comments, that sorely

OFFERS OF UNIT

offset against your gross income.

SAT 50p



Students, after studying the position "long and hard," has

• The Internal Revenue Service published a tax information guide for students which includes a leaflet explaining how deeds of covenant work and a form to help parents make a valid deed. The pack is available free from any tax office.

Margaret Hughes

2 INITIAL OFFERS OF UNITS AT 50¢ UNTIL 29TH OCTOBER 1985.

The big news on Hambros Unit Trusts.

3. We're introducing Hambros Income and Protection Scheme

We have created a combination of three trusts specifically designed to meet these objectives. We call it the Hambros Income and Protection Scheme. It combines our two new Hambros unit trusts with the existing Hambros Equity Income Trust, an equity portfolio aimed at achieving growing income from a starting level 20% above the market average. The benefits are clear:

- Six income payments each year, spread evenly through the year
- An average estimated gross yield of 54%
- The expectation of above average income growth in the future
- The capital value that comes from investment in asset-rich U.K. companies with strong international operations
- The confidence which comes from having your investments managed by one of the best-known names in the City of London

Your investment into the Hambros Income and Protection Scheme will be divided equally between the three unit trusts, Hambros High Income Trust and Hambros Reserves and Assets Trust are new trusts, and investments made prior to the close of the initial offer period will be made at 50p per unit. Hambros Equity Income Trust is an existing trust and investments into this will be made at the price ruling on the day of purchase.

We believe that our latest news contains options and ideas of interest to all serious investors. Whether investing through the Income and Protection Scheme or direct into one of the new trusts, to take advantage of the terms of the initial offers, please ensure your completed coupon and cheque reach us by 29th October 1985.

If you have one, seek the advice of your professional investment adviser, who will know of us and our products.

Remember the price of units and the income from them can go down as well as up. Unit trusts should generally be regarded as long term investments.



HAMBROS

HAMBROS BANK UNIT TRUST MANAGERS LIMITED

To: Premier Unit Trust Administration, 5 Rayleigh Road, Hutton, Brentwood, Essex CM13 1AA.
Telephone orders to Brentwood (0277) 217916.

I/We wish to invest £ (minimum £1,500) in Hambros Income & Protection Scheme, equally divided between the three funds. Hambros Equity Income Trust units will be allocated at the offer price ruling on receipt of this application. Units in the other trusts will be allocated at 50p until the close of the initial offer.

I/We apply for units in Hambros High Income Trust
and/or units in Hambros Reserves & Assets Trust (minimum 2,000 units per trust) at 50p
per unit under the initial offers closing on 29th October, 1985.

I/We enclose a cheque, payable to Hambros Bank Limited, for £

Please tick box for re-investment of net distributions ☐

MR/MRS/MISS	FIRST FORENAME	OTHER INITIALS	SURNAME
-------------	----------------	----------------	---------

STREET ADDRESS TITLE	FIRST FORENAME	SURNAME	SORTNAME
HOUSE NO. AND STREET	TOWN	COUNTY/POSTAL CODE	

Signature(s) _____ Date _____

1. Our unit trusts are changing their name – to Hambros

2. We're launching two new unit trusts

We have formed two new unit trusts with contrasting but complementary objectives. Both are available at a fixed price of 50p per unit for a limited introductory period which will close not later than 29th October 1985.

HAMBROS RESERVES & ASSETS TRUST

The investment objective of the Trust is to secure long term capital growth from a portfolio of companies, primarily U.K. registered, selected for the protective strength of their underlying reserves and assets, and the scale and quality of their international operations. Investment in foreign companies is initially likely to be limited in order to contain currency risks.

Asset-rich companies are less vulnerable than the average in uncertain and volatile markets. In addition, where assets are under-employed, a company's shares can frequently be acquired at a discount on their underlying asset value. The subsequent adjustment of such price anomalies or the effects of takeover interest can boost capital growth prospects.

HAMBROS HIGH INCOME TRUST

The Managers aim to provide a high and growing income from a portfolio which will be substantially invested in equities and convertibles. When appropriate, fixed interest securities will also be included. The initial gross yield will be 7.0% . This represents a yield 50% greater than that of the F.T. Actuaries All-Share Index .

Over the last decade, the dividend growth of the FT All-Share Index has averaged over 12% per annum. In such an environment, the prospects for the well managed equity income fund must be particularly promising.

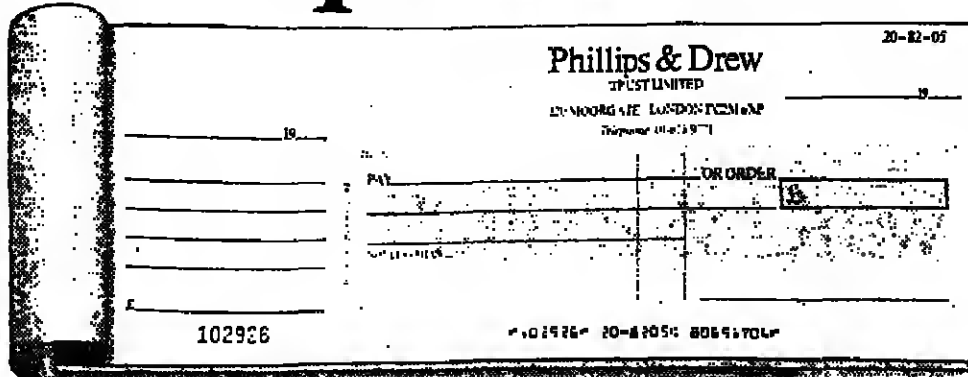
The investment management disciplines necessary to achieve the desired growing income also have the effect of enhancing capital performance. Meanwhile, in adverse markets, the total return to the investor is buoyed up by the above average yield of a portfolio such as that of the Hambros High Income Trust. The Trust is thus designed to provide an effective hedge against inflation.

The initial portfolio will be invested in the U.K. market, but where overseas stocks satisfy the investment criteria of the Trust, these may also be included in due course.

1. The Trustees are authorised by the Secretary of State for Trade and Industry, through the "widow savings" Trusts Investments under the Trusts Investments Act 1941.
2. Income will be distributed, net of basic rate tax together with a tax credit equivalent to a half-yearly return, on the following dates:
- | Category | 9th January | 9th July | 29th December |
|---------------------|-------------|----------|---------------|
| Ordinary Income Tax | | | |
| High Income Tax | | | 6th May |
3. Changes The Managers are permitted to include in their selling price an initial service charge of 5 percent out of which remuneration is payable to the Manager and the balance of 4 percent to the Trusts. The annual service charge of 74 1/2 percent (plus V.A.T.) of the value of the Fund is deducted from income to meet the expenses of the Trusts and Managers. The Trusts Decide permit a maximum charge of 8 1/2 percent (plus V.A.T.) and may, subject to 2 months notice to the Manager, reduce or increase all or part of your unitholding back to the Manager's net.
- A unitholding may be withdrawn, liquidated, or sold without notice or at any time than the price, calculated to a formula laid down by the Department of Trade and Industry, ruling on receipt of your instructions. You will be sent a cheque in settlement within seven business days of receipt by the Managers of your renewed unit certificate.
5. As an offer price of 50.0p, the gross estimated starting yield for the first year is 10.0 percent. The gross estimated yield for the second year is 12.25 percent.
6. All the offer price for the Hambros Equity Income Trust on the 1st October 1983 of 68.5p., the gross estimated yield was 5.0%.
- After the close of this initial offer, on or before 29th October 1983, the unit price will be the offer price of the Trust. The Manager will continue to purchase units. This offer is not available to residents of the Republic of Ireland.
2. Managers Hambros Bank Unit Trust Managers Limited (members of the Unit Trust Association) 41 Bishopsgate, London (ECP JAA, 1983) and Hambros Bank Limited, 100 Old Broad Street, London EC2M 1JL, England. The Royal Bank of Scotland plc.
- the close of the initial offer.

Eric Short

Announcing a new cheque account.



You'll find the difference of considerable interest.

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First consider the interest rates we offer. With Phillips & Drew Trust you don't just get the rate fixed by a single institution - you get the benefit of many years of experience in the Money Markets.

Every day we carry out a comprehensive review of the rates available and as a result our depositors benefit automatically from an average of the best rates offered by the very best institutions at all times.

A Stockbroking Service on call

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Another plus for account holders is exclusive access to the new simplified "Share Service" provided by Phillips & Drew, the Stockbroker. Without further formality you are able to buy or sell shares or unit trusts simply by telephoning Phillips & Drew on a special number and giving your instructions.

Market Review

High Interest Cheque Account holders will automatically receive from Phillips & Drew a free copy of their monthly magazine giving an overview of activity in financial markets throughout the world.

Free Desk Top Portfolio

And here's some more good news. As an account holder you will receive entirely free of charge, a luxurious desk top portfolio, designed to hold your cheque book, paying-in book and statements. There's also plenty of space for your personal stationery.

charge, a luxurious desk top portfolio, designed to hold your cheque book, paying-in book and statements. There's also plenty of space for your personal stationery.

How the account works

Opening and operating the High Interest Cheque Account is simplicity itself.

You need to make an initial deposit of £2,500. Thereafter the minimum transaction size is £250. Interest is credited at the end of each quarter, after discharge of the liability to the basic rate of tax. Detailed statements are sent quarterly, or can be requested at any time free of charge.

There is no charge for opening an account. Our management and administration costs are met by means of a deduction of not more than 1% from the rate of interest received on the placement of depositors' funds.

Withdrawals can be made whenever you require them and, if you can give us 7 days notice of withdrawal (either by telephone or in writing), you will lose no interest. When you make a payment by cheque, 7 days interest will be deducted.

So, if you'd like to start making more of your money now, complete the coupon and return it to us with your cheque.

On receipt we will send you full details together with an application form for you to complete, and when you return it you will receive your cheque book and Desk Top Portfolio.

Alternatively, for further details tick the box in the lower part of the Coupon.

It all adds up to a difference of considerable interest.

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To: Phillips & Drew Trust Limited, 120 Moorgate, London EC2M 6XP

I enclose a cheque (minimum £2,500, payable to Phillips & Drew Trust Ltd.) for a _____ to open a High Interest Cheque Account.

Are you resident in the UK for tax purposes? Yes/No

I understand that in order to maintain a High Interest Cheque Account, I shall have to sign an application form, agreeing to its terms and conditions.

Signature: _____ Date: _____

Tel. Home: _____ Office: _____

Please send me further details of Phillips & Drew Trust Limited's High Interest Cheque Account. ☐

Phillips & Drew Trust Limited

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As most private investors are aware, there are always excellent investment opportunities - the difficulty is in identifying them and in taking the right action at the right time, and in knowing when to sell as well as when to buy.

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Investment trusts

A bonanza goes begging

"IF YOU'VE got it, flaunt it" seems to be a lesson that investment trusts - struggling to throw off their stodgy and somewhat old-fashioned image - are at last learning.

These quoted companies, set up in the late 19th century to give private investors a chance to spread their risks by investing, indirectly, in a number of companies, have been losing out badly in recent years to their more glamorous rivals in the unit trust and unit-linked assurance world.

Investment trusts cannot, even if they wanted to, advertise their shares. And financial advisers can earn more putting their clients' cash elsewhere. Inevitably then, insurance companies and pension funds have taken over from the private punter as the trusts' principal shareholders.

What has given these funds that extra something? After all, they're in the same game - professional management of a portfolio of shares - and their tax treatment is identical to unit trusts.

As "closed end" companies with a fixed share capital, investment trusts need not worry about the sort of volatile behaviour of investors that can give unit trust managers sleepless nights. If the punters start pulling out they need not sell assets and build up cash to meet redemptions - the share price just falls. That means they can take a longer term view and put more cash in unmarketable securities (unquoted companies, etc) that may offer the greatest growth potential.

A look at the performance tables, though, suggests that investors have been missing out on a bonanza. Over the last 10 years, investment trust shares have on average beaten unit trusts (after reinvesting income) by more than 50 per cent.

producing a handsome return of nearly 1,000 per cent.

In the shorter term, investment trusts are also ahead. Over the five years to September, they clocked up a total return of 147 per cent, compared with 125 per cent by unit trusts. Though there are around three times as many unit trusts, none of them could keep up with the top investment trusts.

More important, the share price, unlike a unit trust's offer price, is determined by supply and demand and tends to trade at a discount to the trust's net assets. So when a trust's chosen sector is in fashion, its discount narrows giving the investor an extra gain on top of the increase in underlying assets.

No wonder then that investment trusts outpaced unit trusts over the post-1974 bull market - their discounts in that period shrunk from around 45 per cent to the low 20s. Of course this gearing effect is a disadvantage when markets turn (even "currencies") - the discount narrows, for instance, has widened from 1 to 15 per cent in the last 12 months, and they have lost their pole position in the league tables.

The discount also means you should get more income for your money than in a unit trust. In effect you are buying £100 of dividend-producing securities for under £80, and that can have a big impact on total return over the years plus points it may have for the investor.

Insurance companies, pension funds and other big investors are also on the look-out for attractive discounts. Their interest helps to keep share prices from drifting too far away from asset value, and can eliminate the discount altogether if they embark on a takeover.

The other big difference

between investment and unit trusts is that they can gear up by borrowing through loans, debentures, preference shares, etc. Unit trusts are limited to "back to back" loans, which they use as a currency hedge by borrowing foreign currency and depositing the sterling equivalent.

A highly geared trust can be very profitable when interest rates are low and markets buoyant (if conditions are less favourable, of course, the strategy can backfire). In recent years, interest rates have tended to be "above" equity yields, so gearing has initially depressed income to shareholders - but income growth on the extra assets bought has lifted earnings over the longer term.

Lately, high interest rates have discouraged trusts taking on new long term debt, and maturing loan stock is frequently not replaced. Short term borrowing for special tasks rules the day. But there are exceptions: New York arbitrageur Ivan Boesky's Cambrian and General Trust is around 800 per cent geared.

Investment trusts also dabble where unit trusts dare not (or are forbidden). There is no limit to the unquoted and unlisted stocks they can buy (unit trusts can only keep 5 per cent in the former and 20-25 per cent in the latter), they can invest in real estate (rather than just property shares). And they are free to use the options and over-the-counter markets.

But it is their relatively heavy overseas exposure that has had the greatest impact on performance over the past five years. Since the abolition of exchange controls in 1979, trusts have put more than 50 per cent of their assets abroad. So the slump in sterling gave them a big fillip.

Last year was not so happy, since many trusts decided too early that the dollar had peaked

INVESTMENT TRUST PERFORMANCE

Sector	5 yrs	4 yrs	3 yrs	2 yrs	1 yr
Capital and income growth: general	355.9	234.7	221.2	174.2	122.1
Capital and income growth: UK	323.5	240.3	231.6	172.9	121.0
Capital growth: general	367.9	215.3	204.0	158.5	119.0
Capital growth: international	360.4	232.2	215.4	167.2	120.0
Capital growth: N. America	353.1	218.6	212.5	147.8	111.0
Capital growth: Far East	435.5	271.7	247.4	182.6	117.0
Capital growth: Japan	514.0	320.2	282.2	204.3	116.0
Capital growth: commerce and energy	263.8	139.1	127.9	143.1	112.0
Capital growth: technology	377.0	234.5	195.8	135.4	102.0
Income growth	364.1	245.9	234.3	171.8	119.0
Smaller companies	328.7	217.9	206.2	161.5	100.0
Special features	332.5	226.5	213.1	157.0	114.0

Figures to January 1 1985. Total price return to shareholders. Source: Wood, Mackenzie

and hedged much of their U.S. portfolios. They underperformed the Capital International Index by 9 per cent, but their 20 per cent return still licked the 16 per cent average recorded by unit trusts.

Discerning investors have been put off vague and general investment policies of many trusts and opted for a more exotic unit trust specialist. Lately though, trust managers, often under pressure from institutional shareholders, have tightened their objectives and portfolios. In recent months trusts have been launched concentrating on smaller German companies, plantations, and Scandinavia, while London Trust has been converted into a U.S. venture capital operator.

Because of their minimal promotional costs, investment trusts charge lower management fees than unit trusts. But small savers can find it expensive buying shares through a stockbroker.

Minimum commission is generally 10-15, so the cost of buying and selling any investment under about £400 will be more than the 6-7 per cent front end load on a unit trust. Small-time investors are probably better off in a unit trust savings scheme.

Some trusts, however, notably

Globe and Foreign & Colonial, now run schemes allowing their shareholders to make further small monthly investments, while Robert Fleming launched a similar arrangement in May covering its 10 trusts.

Regular savers can now also buy investment trusts through life and pensions plans. Siewan Fund Managers, run by the SAINTS Personal Pension Plan with Sun Life, while Ivory & Sime has linked up with Tunbridge Wells Equitable to produce a life policy investment in its trusts. Whether the marketing departments of insurance companies can make a better job of selling investment trusts remains to be seen.

The Association of Investment Trust Companies publishes two booklets giving more information for potential investors. More For Your Money, an outline of how investment trusts work, and The Private Investor's Stockbroker's List, which gives details of more than 100 stockbroking firms willing to handle private investors' dealings.

The two booklets are available free from: AITC, Park House, 16 Finsbury Circus, London EC2M 7J7.

Martin Winn

Taxation

Advice is the perfect foil against taxman

"INCOME TAX is a tax on income and not meant to be a tax on anything else," it was explained in the case of London County Council v AG in 1991.

The underlying principle that Lord Macnaghten was enunciating remains true, although Capital Gains Tax may now catch some receipts which would have been untaxable earlier. Receipts which are not within the Income Tax or Capital Gains Tax rules bear no tax liability.

However, the special circumstances which give rise to these situations are usually recognisable only by the professional tax adviser. The golden rule for anyone who proposes to become involved in any arrangement with substantial financial consequences is to seek tax advice first.

After the arrangement has been carried out, or the legal formalities concluded, all the tax adviser may be able to do is calculate the tax payable. Take the following cases:

● Mr B, an advertising consultant, was approached by one of his principals, Ltd, which was launching a new product. The company wanted Mr B to join it full-time as sales director to make sure the new product reached its market potential. A very attractive seven-year contract was offered.

Mr B liked the offer, but was concerned that after he had established the market for the new product his expertise would no longer be required. He therefore suggested that his proposed contract should include a compensation clause in case the company wished to terminate his employment. The company agreed, and the contract was drawn up and signed.

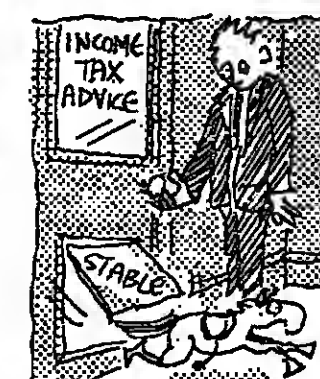
About 21 years later the company told Mr B he was no longer required. In accordance with the terms of the contract, compensation of £142,000 was calculated, and agreed without dissent.

However, Mr B was shocked when the company gave him a cheque for less than half this amount after applying paye in accordance with the tax office's instructions.

It was then that Mr B sought tax advice. He was told that since the compensation paid to him arose from the term of his employment contract, it had quite properly been wholly charged to tax. Exemptions usually available for redundancy payments, allowing freedom from tax liability on sums up to £43,000, did not apply to Mr B's compensation. Nothing could now be done.

If the contract had not mentioned compensation for loss of office, Mr B would at least have been entitled to the £43,000 exemption entitlement and probably could have avoided tax completely on any sum agreed as compensation. He should have sought legal advice to make sure that his contract of employment was watertight, and tax advice on how to keep his options open.

● Bill and John, both senior technical employees, were made



redundant when their employer decided to close the local factory and concentrate manufacture elsewhere. In addition to redundancy payments the company offered them the benefit of maintenance agreements in their area in respect of the company's products.

Bill and John ran the contracts together using sub-contract labour. They traded profitably for about a year, then business fell away rapidly as their customers failed to renew the agreements. They agreed to cease trading.

John and his wife emigrated to New Zealand within a few weeks. The day John left, Bill took their accounts to the local tax office where an inspector explained how their tax liability would be assessed.

The inspector calculated the respective amounts of tax payable by each partner, explaining that although they were equal partners in business, their personal allowances/claims were not the same.

When the tax assessment was received Bill wrote to John in New Zealand asking him to send his share: just over £2,000.

John wrote back a rather nasty letter. He could not understand why Bill had interfered in his personal tax affairs and wanted to deal with the British tax authorities himself.

Neither Bill nor John understood the law concerning partnerships. The Collector of Taxes did, and called to see Bill. The Collector had received a cheque for just under £2,000 which, Bill pointed out, was his share as calculated by the inspector, adding that the Collector would have to seek the rest from John in New Zealand.

The Collector of Taxes did not seem as friendly as the inspector had been. He explained to Bill that in an agreed partnership each partner was liable for all debts, including tax, and if the balance was not paid within ten days a summons would be issued.

Bill sought help from a solicitor who said that Bill could not avoid paying the debt if he had the funds (which he did). The solicitor also explained the difficulty of proving a partnership debt, when no country would allow its courts to be used to collect another country's tax.

R. B. Cannon

This advertisement is issued in compliance with the Regulations of The Stock Exchange.

Nationwide Building Society

(Incorporated in England under the Building Societies Act 1874)

Placing of £20,000,000 11½ per cent Bonds due 20th October 1986

Listing for the bonds has been granted by the Council of The Stock Exchange. Listing Particulars in relation to The Nationwide Building Society are available in the Exel Statistical Services. Copies may be obtained from Companies Announcements Office, P.O. Box No. 119, The Stock Exchange, London EC2P 2BT until 15th October 1985 and until 28th October 1985 from:-

Fulton Packshaw Ltd., 34-40 Ludgate Hill, London EC4M 7JT

Laurie, Milbank & Co., Portland House, 72/73 Basinghall Street, London EC2V 5DP

Rowe & Pitman, 1 Finsbury Avenue, London EC2M 2PA

12th October 1985

The Gresham Trust Business Expansion Fund 1985/86

(A fund approved by the Inland Revenue under the terms of the Finance Act 1983)

Following the successful launch of The Gresham Trust Business Expansion Fund 1984/85, announced in November 1984, which raised approximately £1.72m and was fully invested by 5th April 1985, Gresham Trust is now launching a fund for the tax year 1985/86.

WHAT THE FUND OFFERS INVESTORS:

- The opportunity to invest in a diversified portfolio of unquoted ordinary shares.
- The benefit of Gresham's long experience of investment in unquoted companies and the investment opportunities made available to Gresham because of its established reputation.
- Tax relief at the highest marginal rate of tax and the chance of a high after tax return.

Applications, which will be dealt with in strict order of receipt, should reach Gresham Trust not later than 1st November 1985.

The minimum investment is £2,000; maximum £40,000.

For a copy of the Memorandum and application form, phone or return the completed coupon. Participants should recognise that investment in unquoted companies carries a high risk as well as the chance of high rewards. Before deciding to proceed with an application, individuals should take financial advice taking account of the risks involved and their own financial circumstances and tax position. This advertisement does not constitute an invitation to participate in the Fund; subscriptions must be made on the terms of the application form contained in the Memorandum.

Gresham Trust p.l.c.

To: Gresham Trust p.l.c., Barrington House, Gresham Street, London EC2V 7HE (Telephone: 01-606 6474)

Please send me a copy of the Memorandum inviting participation in The Gresham Trust Business Expansion Fund 1985/86.

Name: _____ Address: _____

FT2

"I GOT THE OLD ENDOWMENT OFF SCOTTISH AMICABLE, AND A REAL SMACKER OFF THE DUCHESS."

"Ain't I the blue-eyed boy? I only fixed up an endowment with Scottish Amicable, that's all.

I'm no fool. A bloke in my position, on the back of the fiver, gets to know all about money. I mean, I've been in more wallets than the Chancellor of the Exchequer.

And I found out that Scottish Amicable have come top of all the tables in Money Management's 1985 survey of with-profits endowments.

Love a duck. Love a duchess, I ought to say. She ain't arf pleased.

So she should be. I've got an endowment mortgage on a little semi, only 20 minutes from Waterloo.

And that's just for starters. With Scottish Amicable doing the business, the odds are, we'll get a

tasty lump sum on top. Tax-free, too, courtesy of my mate The Chancellor.

We should be rolling in loot. I needn't flog off my medals after all.

So, give your old Dutch a treat.

Have a word with your building society or insurance geezer about a Scottish Amicable

endowment. Or pick up the old trombone and ring 01-200 0200.

Then, like me and the duchess, you could look forward to a cruise, or a retirement villa in the Med.

I ran into a French bloke once, who said Elba's not a bad place to settle down."



THE DUKE OF WELLINGTON



WE'RE A COMPANY OF NOTE. JUST ASK YOUR FINANCIAL ADVISER.

FT FINANCIAL TIMES CONFERENCES THE SDI, EUREKA AND INDUSTRY

This topical FT conference assesses the SDI and also comments upon Eureka. It is, however, primarily a forum to explain to international business executives the best prospects for them in the 25 billion dollar SDI programme and give guidance on how they can best position themselves to secure contracts. Chaired by Lord Chalfont, the speakers will include:

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Dr Allen E Puckett
Dr Gerold Yonas
Mr Earle C Williams
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Prof Michael E Howard, CBE, MC, FBA
Mr Michael Clark, CBE
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London
4th and 5th November, 1985

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Minster House, Arthur Street, London EC4R 9AX.
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The name says it all

WITH ABOUT 5m cheques presented for payment to banks in this country every day, it is a mammoth task to examine them all thoroughly. Nevertheless, the job remains a 100 per cent clerical operation.

Signatures present a special problem. Some clerks are able to memorise a remarkable number of their customers' signatures well enough to query one which is out of style. Naturally, special attention is given to high value cheques of, say, £1,000 and more.

The trouble is our signatures change. We lose a few letters turning them into a snailgale, or we add an extra flourish. It is important therefore, to give your bank an up-to-date specimen of your signature at least every two years.

If your bank is not sure whether a signature on one of your cheques is genuine they will contact you and ask you to confirm that it is in order.

When this is not possible the cheque may be returned marked "signature differs" or "signature requires confirmation".

The bank is liable for any loss involved if it pays a forged cheque or acts on instructions which are not authentic. It matters not whether it is an obvious forgery or skilfully executed.

However, you have an obligation to tell the bank immediately if you discover or suspect that a cheque or other instruction to the bank has been issued without your authority. Failure by a customer to do so may mean that they will be considered guilty of misleading the bank and consequently lose any claim they might have against it.

For example, a customer could cause the bank to pay a cheque which it might otherwise have refused, or prejudice its action against a forger. In one case, a man deliberately altered his signature and then accused the bank of paying a forged cheque. He did not get away with it.

Obviously, the more difficult it is to forge your signature the



better. It does not, of course, have to be legible. Do not sign in pencil. Strictly speaking, it is not illegal, but it is dangerous for obvious reasons and the banks strongly disapprove. To be on the safe side use an ink which is immediately permanent.

If you hurt your hand or become ill so that you cannot sign in your usual style, make a mark in the place for your signature and have it witnessed by your doctor or another responsible person.

You should also ask your doctor to give you a certificate for the bank to the effect that you are in full possession of your faculties and your inability to sign is due to your illness.

Harold Baldwin

Perks draw in share buyers

CHOCOLATES are weeping in the streets. Barker & Dobson is no longer giving shareholders a discount on purchases of its Charbonnel et Walker chocolates. The prospect of 10 lb of Charbonnel Mint Crisps at 20 per cent below list price has long been the Stock Exchange's most toothsome boost to wider share ownership, but the concession has now been suspended.

If your sweet tooth is really sulking, you could buy shares in Sassetts Foods, which is once again offering tours of its liquorice allsort and jelly baby factories to investors, but Charbonnel aficionados will have to sustain themselves on the hopes that Barker & Dobson may change its mind and restore the concession.

The bad news comes in this year's guide to share perks from stockbrokers Seymour, Pierce & Co, which lists the companies offering discounts, bonuses or free gifts to their shareholders. Shareholders' perks have re-

ceived a boost from British Telecom's decision to offer telephone bill vouchers to investors, and an increasing number of companies now offer concessions.

It is certainly not a good idea to select your shares just because of the perks they offer. "The investment" should be chosen on its own merits, not solely on the attraction of a concession which the company always reserves the right to alter or withdraw, without notice," says Seymour, Pierce.

For some smaller unquoted companies, however, there may be nothing else to judge by. Tiny local railways, for instance, may be profitable but remain strictly for the enthusiast. Seymour, Pierce gives details of three which offer fare discounts: And if you like to travel a little faster than the Romney, Hythe and Dymchurch miniature railway, you can always buy shares in London European. Always and receive one free return flight for a companion for every 10 flights you make to Amsterdam or Brussels.

The guide costs £1.50 from Seymour, Pierce and Co, 10 Old Jewry, London EC2R 8EA. But you can get a cheaper, though less glossy, list of shareholder perks by sending a large, stamped addressed envelope to stockbrokers Grieson Grant and Co, Barington House, 59

Gresham Street, London EC2P 2DS.

A PORTFOLIO OF PERKS
Allied Lyons: £1.50 and £3 vouchers for restaurants; 7.20 per cent discount on Victoria Wines; 10 per cent discount at Alford hotels.

Beecham Group: Up to 19.3 per cent discount on cases of wine.
Burton Group: 20 per cent discount on three purchases at Burton shops; 12.5 per cent discount at Debenhams stores.

European Ferries: 50 per cent discount on ferries (pref. shares only); hotel discounts; educational sponsorship at University College, Buckingham.

Gieves Group: 20 per cent discount on clothes and shoes.
Grand Metropolitan: Discounts on wine, beer and hotels; vouchers for Berni Inns; 10-15 per cent off Executive Dumbbells and Indoor Joggers.

Hawley Group: 15 per cent off home improvement products.
Pentons Group: 10 per cent discount at Dillons, Hudson, Athena bookshops, Athena galleries.

Sketchley: 25 per cent discount on cleaning and shoe repairs.

George Graham

Bankers' charity-at a cost

THE reduction in bank networks has made it more likely that you will find yourself caught short of cash with no branch of your own bank in sight.

In the good old days, that didn't matter too much, there was always likely to be some bank nearby, where providing you had a guarantee card, you would get your £50 at no extra charge.

But since Barclays set the ball rolling in September 1981, all banks now charge customers from others for cashing cheques.

Not only was Barclays the first to introduce this practice — it also charges most: 75p a cheque for non-customers Monday to Friday, and £2 on Saturdays.

And if you want to draw more cash than the £50 covered by your guarantee card, it will cost you £1.50 if you are using a Barclays branch other than your own. Barclays won't cash cheques over £50 for non-customers.

At Midland, customers from other banks will be charged £2.50 if they want to take out more than £50, but their own customers from other branches get the service free. The same applies to National Westminster. Neither bank charges even for the authorisation phone call it will have to make to the customer's own branch.

Midland, NatWest, Lloyds and most other banks also charge less than Barclays for cashing cheques up to £50 for non-customers. All have a flat 50p levy but only Lloyds provides the facility on Saturdays (Midland doesn't open and NatWest won't cash cheques for anyone).

Unlike the others, however, NatWest customers can withdraw money on Saturdays from the Rapidcash tills inside branches.

NatWest and Lloyds do not, in any case, charge each other's customers (including those of Coutts, Isle of Man Bank and Ulster Bank, in the case of NatWest; and National Bank of New Zealand, in the case of Lloyds) for cashing cheques up to £50. NatWest has a similar

reciprocal agreement with the Bank of Scotland.

Any non-customer wanting to cash a cheque for more than £50 will be charged a flat fee of £1.50 at NatWest and 75p (plus the cost of the phone call) at Lloyds. Lloyds customers cashing cheques at branches other than their own will also have to pay the same charge.

Midland and NatWest customers can withdraw cash from each other's 'hole-in-the-wall' dispensers at no additional charge (dispensers generally also have the further advantage that, provided you have enough money in your account, you can withdraw more than £50 from them).

Further options are available to customers of Barclays and Lloyds—at least until these banks make their dispenser networks compatible. The only way clients can avoid paying extra for cashing cheques over £50 is by using their own branch or a dispenser at another of their bank's branches.

If there is no such dispenser in sight, make for a Lloyds branch where the 75p charge (plus phone call) is likely to be substantially less than the £1 fees charged by the others. And give Barclays a wide berth, unless you are a customer.

Margaret Hughes

Portfolio management

Fringe benefits for the VIP

VANBRUGH Life Assurance, the unlinked life subsidiary of the Prudential Corporation, was the first life company to offer special fringe benefits on its high-level investment bond aimed at market—the Vanbrugh Investment Portfolio, referred to appropriately as VIP.

Among these fringe benefits is an annual jamboree, known officially as the VIP Investment Conference, at a leading London hotel.

The 1985 conference was held last week at the Grosvenor House and its aim, as always, was for Vanbrugh's investment managers — Prudential Portfolio Management—to discuss with investors and intermediaries their present philosophy and strategy.

It is not just a public relations exercise. The main speaker was Mr Mick New-

man, although he is no mean PR performer at any time. Mr Newmach told guests how hedging works (a topical subject, given the continued interest in both overseas funds and currency funds); the present investment thinking of the Pru; and the effects of Big Bang—the coming City revolution.

In the myriad of words written about the latter, very little has been said about the fate of the small investor. Mr Newmach told his audience that the general effect would be that the small investor would have to pay more in both commission and research.

However, he assured investors and intermediaries that, by investing through Vanbrugh, they would benefit from the savings, expected to accrue to major institutions, the Pru was both big and independent enough to ensure that no conglomerate could take advantage

of it. Investors are likely to hear more in coming months about dealing with an independent rather than a conglomerate and its "Chinese Walls".

On the investment front, Mr Newmach foresaw a "boring" UK equity market over the next few months, with a likely drift downwards for the rest of this year followed by an upturn in the New Year.

His outlook for foreign markets was related to the attitude of policymakers in the U.S. Assuming, however, an orderly fall in a currently overvalued dollar, he expected overseas markets (particularly Europe) to be attractive.

He saw some selective opportunities in a generally placid property market, but said the outlook for UK gilt depended on a significant interest rate cut.

Eric Short

Of all prestige business gifts, one outlasts and outperforms all others.

What will you be giving your most valued customers this year? An extravagant hand rolled cigar? A bottle of the finest French brandy? Both are sure to be very well received.



Both will be enjoyed—but only for a very limited time. By the New Year your elegant gift will be long forgotten.

Just think how much better it would be if your gift could carry the same prestige yet last throughout the year. Better still if it could be used every working day when you need to keep your name in front of the people you most want to influence.

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No other diary contains such a wealth of information. Information which has been carefully researched and presented to meet the needs of internationally minded business executives. Personalised with your customer's name or displaying your company logo or publicity pages, it's a practical and elegant gift which your most respected customers will value throughout the year.

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FT

The Third Professional Personal Computer Conference

Speakers at this high-level meeting to be arranged by the Financial Times in London on 30 and 31 October 1985 include:

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International Computers Limited

MR A. E. SANTELLI
IBM United Kingdom
International Products Limited

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Compaq Computer Corporation

MR VITTORIO LEVI
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BUILDING SOCIETY RATES

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Ald to Thrift	4.10	20	—
Alliance and Leicester	7.00	8.00	7.75 Premium Plus min. £500, immediate withdrawal (penalty if balance left is under £10,000) interest annually/monthly. 8.75 Bankava Plus balance £2,500+, 7.75 under £2,500 current account minimum initial investment £500 9.75 Gold Plus, minimum £500, immediate withdrawal, interest annually or monthly
Anglia	7.00	8.00	8.75 Instant gold. Annual interest. No notice or penalty 9.50 3-year bd, 90 days' not./pen. Differential 2.5 guaranteed 8.75 Capital plus £10,000+. Annual int. 80 days' not./pen. 8.50 Summit account—£1,000+—3 months' notice 8.85 Special Invest. (28 days' notice) 10.10 monthly inc. s/c
Barnsley	7.00	8.00	9.50 No notice no penalty on up to 2 withdrawals per acc. s/c 8.75 3 months' notice without penalty
Bristol and Glos	7.00	8.00	8.75 Plus account £1,000+. No notice. No penalty 8.55 £10,000+. 9.20 £25,000+. 9.05 £50,000+ 7-day notice Triple Bonus. Also monthly income 8.75 Special 3-month account. £5,000+. 3 months' notice
Britannic	7.00	8.00	9.50 60 days' notice 8.80 90 days' notice or penalty if balance under £10,000
Cardiff	8.50	8.50	10.00 £2,000+ Jubilee Bond. Monthly income. 90 days' notice 10.00 Guaranteed rate 2/3 years' term for variable account
Catholic	7.30	8.30	9.30 Guaranteed rate 2/3 years' term for variable account
Century (Edinburgh)	8.85	—	9.30 Immediate withdrawal interest pen. or 3 months' notice
Cheltenham	7.00	8.00	8.50 Cheltenham Gold. No notice. No penalties £5,000+ 9.50 £500-£4,999 9.00. Under £500 7.00. Monthly income avail. 8.75 £20,000-£25,000. 9.25 £1,000-£19,999 inst. acc. no pen. 8.75 7 days, 9.10 1 month, 9.25 2 months, 9.50 3 months
Chesham	7.00	8.50	9.50 3 months' notice—no penalty—monthly income 9.25 7 days' notice. Immediate access for amounts over £2,000
Citizens Registry	7.00	—	9.50 3-year bond £1,000+. Close 90 days' notice and penalty. 9.50 3-year bond £1,000+. Close 90 days' notice and penalty. 9.50 Money-maker £10,000+. 9.30 £5,000+. 9.00 £1,000+
City of London (The)	7.25	8.75	9.50 Instant access no penalty, monthly income option 9.50 3 months' notice. Up to 9.50 no not./pen. monthly int. 10.50 Gold Minor account for 0-15-year-olds
Cowen	7.00	8.25	9.50 Gold Star £20,000+. No notice. No penalties. 9.25 £5,000+. 8.75 £1,000+
Derbyshire	7.00	8.25	9.75 60-day account (no notice account 9.75-9.25)
Frome, Salwood	7.00	10.50	10.50 Gold Minor account for 0-15-year-olds
Gateway	7.00	8.00	9.50 Gold Star £20,000+. No notice. No penalties. 9.25 £5,000+. 8.75 £1,000+
Greenwich	7.00	—	9.25 60-day account (no notice account 9.75-9.25)
Guardian	7.55	—	10.00 8 month notice £1,000 min. access to bal. £10,000+
Halifax	7.00	8.00	9.50 Cardcash (£2,000+), 7.00 (£1-£1,999) 9.50/9.80/8.50/8.00 instant extra (minimum £500) 9.50 90-day extra, 80 days' notice/no penalty (min. £500) 8.50 90-day high interest. 8.50 Gold Key
Heart of England	7.00	8.25	9.50 90 days' notice, no penalty £10,000+ 9.50 Gold Key 8.50 90 days' notice, no penalty £10,000+ 9.50 Gold Key
Hemel Hempstead	7.00	8.50	10.00 90 days, 9.00 90 days, 9.75 28 days 9.75 8.00 7-day account. Minimum £500 3 months 9.75
Hendon	9.00	—	10.00 £20,000 High Rise wdl. no pen. Rate varies with balance
Huddersfield and Rugby	7.00	8.00	10.00 Under £10K, 10.25 over £10K mag s/c 5 wks+10cs of int
Lambeth	7.15	9.25	9.50 High Income monthly no notice/penalty £5,000 minimum 9.50 High Income monthly no notice/penalty £5,000 minimum 9.50 Super share no not., 14 days' penalty £20,000 minimum 9.50 Super share £5,000 minimum, 14 days' notice, 9.50 60 days'
Leamington Spa	7.10	—	9.75 Monthly interest, 9.25 28 days' notice, 9.50 60 days' notice or penalty, neither if £10,000 still in account 9.50 £10,000+. No penalty/no notice 9.50 Bonus Builder £10,000+. 9.25 £5,000+. 9.00 £1,000+
Leeds and Holbeck	7.00	8.75	8.75 £500+. 9.00 £1,000+. 9.25 £5,000+. 9.50 £10,000+
Leeds Permanent	7.00	8.00	9.50 3-year term, 9.25 2-year term, 9.00 1-year term, 8.75 6 months' term, 8.50 3 months' term, 8.25 1 month term, 8.00 0 months' term
London Permanent	7.75	—	9.00 28 days' notice or immed. wdl. no pen. £1,000+ 9.25 90 days' notice or immed. wdl. no pen. £1,000+ 9.25 90 days' notice or immed. wdl. no pen. £1,000+ 9.25 90 days' notice or immed. wdl. no pen. £1,000+
Mechanics	7.00	—	9.50 90 days' notice or immed. wdl. no pen. £1,000+ 9.50 90 days' notice or immed. wdl. no pen. £1,000+ 9.50 90 days' notice or immed. wdl. no pen. £1,000+
Mornington	5.10	—	9.50 90 days' notice or immed. wdl. no pen. £1,000+ 9.50 90 days' notice or immed. wdl. no pen. £1,000+ 9.50 90 days' notice or immed. wdl. no pen. £1,000+
National Counties	7.30	8.55	9.50 90 days' notice or immed. wdl. no pen. £1,000+ 9.50 90 days' notice or immed. wdl. no pen. £1,000+ 9.50 90 days' notice or immed. wdl. no pen. £1,000+
National and Provincial	7.00	8.00	9.50 90 days' notice or immed. wdl. no pen. £1,000+ 9.50 90 days' notice or immed. wdl. no pen. £1,000+ 9.50 90 days' notice or immed. wdl. no pen. £1,000+
Nationwide	7.00	—	9.50 90 days' notice or immed. wdl. no pen. £1,000+ 9.50 90 days' notice or immed. wdl. no pen. £1,000+ 9.50 90 days' notice or immed. wdl. no pen. £1,000+
Newcastle	7.00	9.25	9.50 90 days' notice or immed. wdl. no pen. £1,000+ 9.50 90 days' notice or immed. wdl. no pen. £1,000+ 9.50 90 days' notice or immed. wdl. no pen. £1,000+
Northern Rock	7.00	8.25	9.50 90 days' notice or immed. wdl. no pen. £1,000+ 9.50 90 days' notice or immed. wdl. no pen. £1,000+ 9.50 90 days' notice or immed. wdl. no pen. £1,000+
Norwich	7.00	8.25	9.50 90 days' notice or immed. wdl. no pen. £1,000+ 9.50 90 days' notice or immed. wdl. no pen. £1,000+ 9.50 90 days' notice or immed. wdl. no pen. £1,000+
Peckham	7.45	—	9.50 90 days' notice or immed. wdl. no pen. £1,000+ 9.50 90 days' notice or immed. wdl. no pen. £1,000+ 9.50 90 days' notice or immed. wdl. no pen. £1,000+
Peterborough	7.00	8.30	9.50 90 days' notice or immed. wdl. no pen. £1,000+ 9.50 90 days' notice or immed. wdl. no pen. £1,000+ 9.50 90 days' notice or immed. wdl. no pen. £1,000+
Portman	7.00	8.25	9.50 90 days' notice or immed. wdl. no pen. £1,000+ 9.50 90 days' notice or immed. wdl. no pen. £1,000+ 9.50 90 days' notice or immed. wdl. no pen. £1,000+
Portsmouth	7.15	8.55	9.50 90 days' notice or immed. wdl. no pen. £1,000+ 9.50 90 days' notice or immed. wdl. no pen. £1,000+ 9.50 90 days' notice or immed. wdl. no pen. £1,000+
Property Owners	7.50	8.25	9.50 90 days' notice or immed. wdl. no pen. £1,000+ 9.50 90 days' notice or immed. wdl. no pen. £1,000+ 9.50 90 days' notice or immed. wdl. no pen. £1,000+
Scarborough	7.00	8.25	9.50 90 days' notice or immed. wdl. no pen. £1,000+ 9.50 90 days' notice or immed. wdl. no pen. £1,000+ 9.50 90 days' notice or immed. wdl. no pen. £1,000+
Skipton	7.00	8.25	9.50 90 days' notice or immed. wdl. no pen. £1,000+ 9.50 90 days' notice or immed. wdl. no pen. £1,000+ 9.50 90 days' notice or immed. wdl. no pen. £1,000+
Stroud	7.00	8.25	9.50 90 days' notice or immed. wdl. no pen. £1,000+ 9.50 90 days' notice or immed. wdl. no pen. £1,000+ 9.50 90 days' notice or immed. wdl. no pen. £1,000+
Sussex County	7.00	8.50	9.50 90 days' notice or immed. wdl. no pen. £1,000+ 9.50 90 days' notice or immed. wdl. no pen. £1,000+ 9.50 90 days' notice or immed. wdl. no pen. £1,000+
Thrift	8.25	—	9.50 90 days' notice or immed. wdl. no pen. £1,000+ 9.50 90 days' notice or immed. wdl. no pen. £1,000+ 9.50 90 days' notice or immed. wdl. no pen. £1,000+
Town and Country	7.00	—	9.50 90 days' notice or immed. wdl. no pen. £1,000+ 9.50 90 days' notice or immed. wdl. no pen. £1,000+ 9.50 90 days' notice or immed. wdl. no pen. £1,000+
Wessex	8.10	—	9.50 90 days' notice or immed. wdl. no pen. £1,000+ 9.50 90 days' notice or immed. wdl. no pen. £1,000+ 9.50 90 days' notice or immed. wdl. no pen. £1,000+
Woolwich	7.00	—	9.50 90 days' notice or immed. wdl. no pen. £1,000+ 9.50 90 days' notice or immed. wdl. no pen. £1,000+ 9.50 90 days' notice or immed. wdl. no pen. £1,000+
Yorkshire	7.00	8.00	9.50 90 days' notice or immed. wdl. no pen. £1,000+ 9.50 90 days' notice or immed. wdl. no pen. £1,000+ 9.50 90 days' notice or immed. wdl. no pen. £1,000+

All these per cent rates are after basic rate tax liability has been settled on behalf of the

FINANCE & THE FAMILY

Briefcase

Insist on getting a share certificate

I purchased some shares in January through a licensed dealer and paid for them at the due date. The shares were sold in June via the same dealer. They say the share certificate was sent in April (I did not receive it) and now want a bankers' indemnity which is going to be a lengthy operation. Can they insist on this?

If you have never had the share certificate, we think that the common practice of seeking a banker's indemnity from you is not justified. You should require the dealer to do whatever is necessary to procure your share certificate, bearing in mind that the company has a duty to deliver a certificate to every member.

Allowances on bungalow sale

Fourteen years ago I bought a small bungalow for the price of £2,000. It has since been rented, but the old couple who live there will shortly be going to an old people's home and I am then thinking of selling.

A local estate agent informs me that I should easily get about £25,000 for this. On this gain of £23,000 I estimate that I should pay £5,000 Capital Gains Tax.

I understand that I can set

the yearly allowance of £5,000 against this and that there should also be an allowance for "inflation indexation."

Can you tell me if this is correct please and how this allowance if any would work out?

The chargeable gain might be around £15,000, as follows:

Proceeds say £25,000
Cost say 3,000
£22,000

Indexation: say 20% per cent of £2,000 = 400

1985-86 exempt amount 21,392

£1,608

£15,492

Ask the estate agent whether the market value of the bungalow on March 31 1982, with sitting tenants, was more than £2,000. If he thinks that it was, it may be worth electing to have the indexation based on that value.

—but ask your solicitor for guidance through the tax maze.

Arranging a covenant

My son is living with a woman and her eight-year-old son.

My son is supporting them both. He has an additional allowance from the Inland Revenue for the boy.

Is there any way I can use a covenant to help to support the boy and so give my son some financial relief?

I can afford to give about \$600 a year (ie £480 from me and a tax rebate of £120). Could this money be used legally by my son to go towards the boy's keep?

Yes, to both questions. A solicitor can prepare a suitably worded deed of covenant. If you give him or her a note of the background facts and figures.

Money left to children in NZ

A testator in the UK wishes to leave by his will a substantial sum of money in trust for two young children born and domiciled in New Zealand. He wishes to ensure that the capital will be actively supervised and profitably invested, and that the income will be used as the trustees think fit for the benefit of the children and not reinvested. The children are to inherit the capital when they reach the age of 21.

How can this best be arranged, and what would be the tax aspect?

The amounts involved appear to justify the expense of professional guidance through the maze of UK and NZ taxation. Prima facie, it would be best

to appoint trustees who are (and are likely to remain) resident outside the UK.

There is really nothing more that we can usefully say, on the bare facts outlined.

Lodgers are not tax-free

My husband died last September, my income will be: Widows pension £1,862 per annum, dividends about £5,000 (tax paid), rent from cottage £2,400 (no tax paid, yet).

I understand from a friend that up to £2,000 (net profit) can be earned from lodgers, on which no tax is required to be paid—is this true?

For 1985-86, you are entitled to a basic personal allowance of £2,205 plus the bereavement allowance of £1,250. Since your pension and the net cottage rent will exceed the total of these two allowances, any profit from lodgers will be taxable (at 30 per cent).

You will not be entitled to the bereavement allowance next year.

VAT and the disabled

My daughter owns a terrace house in the Midlands. It was

unimproved having neither bathroom nor indoor WC. The tenant had a stroke a few years ago and is very disabled, and registered as such.

Recently and with the help of a Council grant the house was repaired and improved at a cost of about £11,000. I had previously read that where the occupier is disabled VAT is not levied on the costs of repairs and improvements.

I asked the Council who paid the grant, for their ruling on the amount of VAT which should be charged if any, and I was told that VAT would be charged at a reduced rate.

The builder writes to say he has been in touch with HM Customs and Excise who rule that full VAT should be applied to all items of the account. Apparently unless the owner of the property is a registered person relief from VAT cannot be claimed. Is this right?

The cost of certain improvements to property are zero rated when supplied by a VAT registered trader to a handicapped person. It seems to us that your daughter is not entitled to zero rating treatment as the supplies of goods and services have been made to her by the builder and not by the builder to the handicapped person.

disposes of the assets. A non-resident donor, on the other hand, being exempt from Capital Gains Tax, will have no such problems.

For those few expatriates returning to the UK who are not currently to be regarded as domiciled there, the benefits to be secured are very substantial. They might have this status because several generations of the family have been expatriates and the link with the UK has been somewhat loosened. Alternatively, they may be naturalised Britons of foreign extraction.

Whichever it is, while their non-domicile status remains, they can make gifts from overseas assets (in lifetime or on death), without any liability to CGT at all. Further, that benefit can be permanently secured in relation to assets conveyed into a settlement, even if the settlor himself subsequently becomes a UK domiciliary.

Donald Elkin is a director of Wilfred T. Fry.

Tax advice

Snared in the web of CTT

his natural homeland. The status is usually inherited from one's father, although any independent individual can establish a new domicile by moving permanently to another country.

Since the great majority of British expatriates intend to return to the UK ultimately, their British domiciles remain unchanged even if they spend 20 years or more abroad.

CTT is a combined gifts tax and death duty which applies to cumulative gifts exceeding £57,000 — although transfers made more than 10 years earlier can be left out of account. Unlike the rules for income tax, married people are treated as separate entities, but gifts from one to the other are ignored (provided they have the same domicile). Furthermore, certain lifetime gifts are exempt, such

as amounts not exceeding £3,000 per annum, up to £5,000 in consideration of marriage and regular gifts out of surplus income. The non-resident domiciliary is in basically the same position in relation to this tax as his UK counterpart.

Clearly, it is much more difficult for the Inland Revenue to police the actions of non-residents. However, they know, for example, if a British man in Hong Kong makes a gift of £25,000 from his bank account there, to his son who is studying in the South of France? Technically, the answer is that the donor will tell them, that being what the law requires. Returns must be made of all chargeable gifts (i.e. after deducting exemptions) which exceeds £10,000 in any year or £40,000 in total over the preceding 10 years.

Any British domiciled expatriate should bear in mind that when he dies, his executor will need to declare to the Inland Revenue all gifts made in the preceding 10 years. Consequently, failure to keep things straight in the first instance, could leave problems for those who follow.

But in some respects, the expatriate is certainly better off. Consider the case of a person who decides to make a gift to his son. A UK resident donor will have to pay tax on any capital realised to provide the necessary cash, or which are inherent in any assets transferred.

Of course, in the latter case, the donor and donee can elect that the gain should be "rolled over," with the effect that no tax is payable until the son

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BRITAIN'S TAX LAW

is rather generous to its non-residents. Not only do they avoid tax on their income, except to the extent that it arises in the UK (and sometimes not then), but they are not called on to pay Capital Gains Tax either, even in relation to gains realised from UK assets.

By contrast, non-resident citizens of the U.S. remain liable to federal (and sometimes state taxes too) on their worldwide income and gains. But this British open-handedness does not extend to Capital Transfer Tax, most expatriates remaining as fully chargeable on their worldwide assets as if they had never left the country. Under-standably, that often comes as an unpleasant surprise.

This fundamentally different treatment arises from the fact that the incidence of CTT depends on domicile not residence. The British domiciliary being taxable on his worldwide assets, while anyone domiciled elsewhere is chargeable only on his UK resources.

Put briefly, a person is domiciled in that country which is

his natural homeland. The status is usually inherited from one's father, although any independent individual can establish a new domicile by moving permanently to another country.

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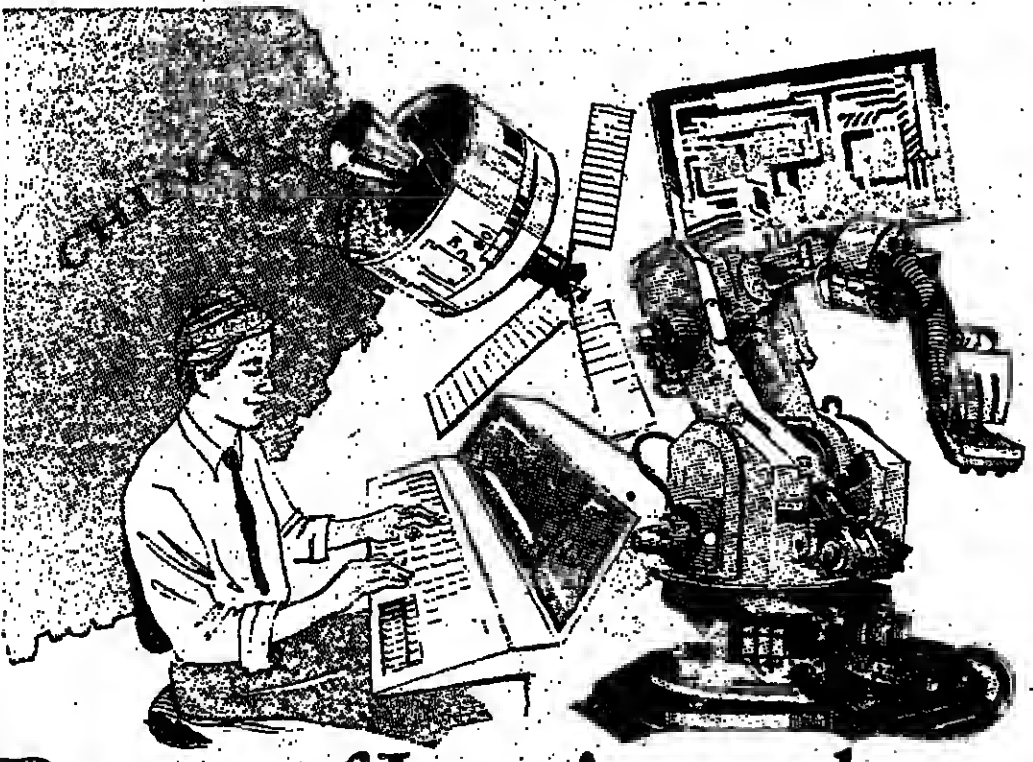
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مكتبة جامعة القاهرة

A show pitched at motorists

MOTORFAIR, which has become London's own motor show, opens at Earl's Court next Thursday for an 11-day run. About 350,000 people are expected to visit the exhibition which is pitched at motorists rather than fleet buyers, component suppliers and vehicle assemblers, and is all the better for that.

This is the fourth Motorfair. The first was held the year after the traditional annual motor show at Earl's Court in 1978 for the National Exhibition Centre, near Birmingham. Each time, Motorfair gets better. Car makers now hold back new models so they can make their debut at Earl's Court.

Lancia and Saab are showing their new luxury cars, the Thema and 9000 Turbo 16. The mid-size Mercedes-Benz 200 to

300 saloons will be seen with right-hand drive for the first time at Motorfair. Porsche has no fewer than five new models on display. Hyundai of South Korea chose Motorfair for the world-wide launch of its new front-wheel driven, cross-engined family hatchback. This will have the top managers of Europe's car makers—and probably Japan's—punching their computers to see how on earth Hyundai can do it at the price.

The new Mazda 323 hatchbacks and saloons will be there. So will the Volvo 760 estates, the top value Seats from Spain, and the gorgeous looking Isuzu Piazza. I wrote about last week's Ford's Eltec car of the future and BL Austin-Rover Group's MG EXE 4x4 concept will be making their first public appearance in Britain. Austin-Rover is thought to have another ace up its sleeve for Motorfair—a

pre-emptive strike against the Tokyo Motor Show at the end of this month.

Prices of the new Mercedes-Benz mid-size cars will not be announced until next week, but those of the Saab 9000 Turbo 16 and the Lancia Thema range—both potential rivals in the executive market—are known. Lancia's top Thema, the 2.1-litre, fuel-injected and turbocharged LX, is £15,500, just £493 cheaper than the Saab of strictly comparable specification.

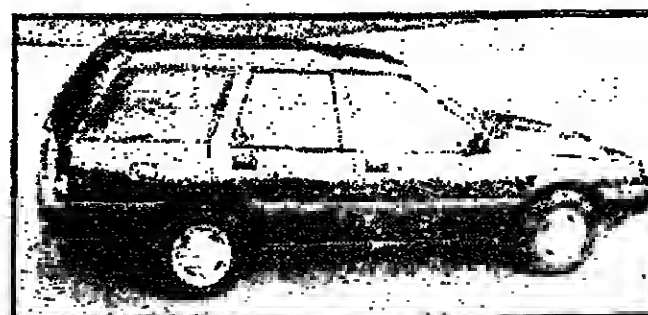
Whereas only one Saab 9000 is to be marketed in Britain for the moment, Lancia has come in with four versions. The 2-litre with fuel injection is £11,000. Adding a turbocharger and other goodies puts the price up to £13,000, and a 2.8-litre V6 with automatic transmission as standard is £15,500. If anything can get Lancia back seriously

into the executive market, it has to be the Thema.

It is some months since I tried left-hand versions in Austria but I well recall the excellent handling ride comfort and general refinement.

My only experience so far of the Saab 9000 Turbo 16 was a dash along the autobahn from Amsterdam to Frankfurt. I saw over 140 mph on the speedometer, which surprised me as much as it did the driver of a Porsche 911 who moved smartly out of my way to let me by. The power and torque that can be squeezed out of a 2-litre engine is astonishing, especially as it does not become uncouth.

Remarkably, both the Saab and Lancia 2-litre turbos are as flexible and punchy at moderate engine speeds as they are potent when given their heads.



MITCHELL's new Lancer estate, which makes its debut at Motorfair next week and goes on sale immediately afterwards, would suit buyers for whom an Escort estate is too small but who do not need the bulk carrying capacity of, say, a Vauxhall Sierra or Cavalier estate.

It is 12 ft 8 in long, has a conveniently low loading height of 22 in, and comes with a choice of 1.5-litre petrol or 1.8-litre diesel engines. These are mounted transversely and drive the front wheels through an excellent five-speed gearbox.

Prices start at £5,629 (petrol) and £7,239 (diesel), rising to £7,749 for a petrol-engined 1.8. This one has such goodies as power steering, electrically adjustable mirrors on both front doors, electric front windows, remote tailgate and fuel filler flap releases, and two sunroofs—one for the front seat occupants, the other for those in the back. The engines have Mitsubishi's twin balancing shafts, which eliminate vibration at source and make for exceptionally smooth running.

I drove both petrol and diesel models in Holland last week. The beautifully surfaced motorways and main

roads gave the suspensions little work to do but showed up the Lancer estate's ability to cruise very quietly indeed at 80-85 mph.

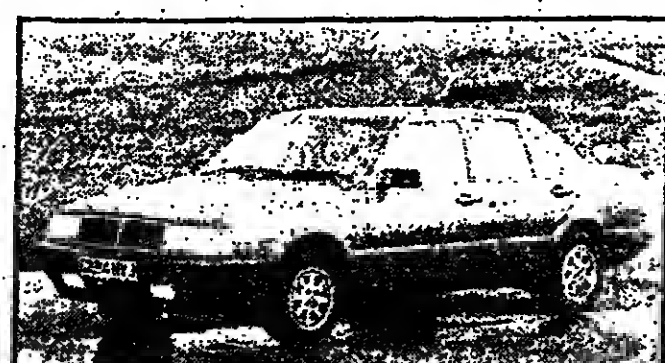
At this sort of speed, the Mitsubishi diesel is as quiet as the petrol engine and would certainly be my choice. Krenauy is striking. The diesel's official figures are 35.8 mpg (urban), 50.1 mpg at a constant 56 mph, 41.5 mpg at 75 mph. The petrol engine does 25.5 mpg (urban), 47.1 mpg (56 mph) and 35.3 mpg (75 mph). By itself this is a powerful argument for the diesel but, in addition, I thought its extra weight up front made for an even better ride.

Servicing intervals are the same—6,000 miles or six months for an intermediate service, 32,000 miles or annually for a major one. The mechanical warranty is for three years, with unlimited mileage. Although the Lancer's rear seat cushion does not fold forward in normal estate car style, the two-piece rear backrests lay flat to make a practical load floor. The cushion is as low as it would be in a saloon—not always the case in estates.

Stuart Marshall



Luxury class challengers: the Saab 9000 Turbo 16 (left) and Lancia Thema LX Turbo combine improbably high performance with great refinement. Both have 2-litre, 4-cylinder engines.



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IT WAS not until September that the Test became the sparkling river it used to be. I do not believe that its cloudiness was caused by some selfish individual or council muddling it in the cause of road building or gravel extraction. I think the cold winter stopped all weed growth, which did not really start again until late summer.

Now, every stretch is full of weed. No doubt this filters out dust gathered by the stream as it rushes over the shallows higher up. I am not the first to mention dust as a cause of cloudy water. I remember hearing about a 'gillie on the Wye' who, instructing his charge on how to land a salmon, barked, 'make dust' as the salmon neared the landing net. The angler, gaped, the gillie stepped into the water and

stirred the silt; the fish was temporarily blinded and easily led into the net.

I have often wanted to be able to do the same. On the few occasions that I have landed a salmon I was either on the rocky banks of the Shiel or in a boat on the Wye, and 'dust' was not at hand.

The Test was a joy to fish last month, as it was for the whole of summer. In spite of the cold

and rain, the occasions when I fished were productive. The water is so clear that fish spot you before you see them. At this time of year I have to use a 3lb point to my cast. I normally use a 5lb or 6lb cast—once hooked, I think the fish should be landed—I hate a break, when the fish escapes with a book in its mouth.

Through the clear water I have been able to watch a fish rising to my fly or nymph. I put

a nymph on only as a last resort; an ungreased hackle fly will do as well most of the time. What I do not seem able to do is correlate my strike with the fish's rise. My reactions are slow. It seems to take a long time between sighting a fish rising to my fly and lifting my rod point.

I am more inclined to watch the fish rise, see it take the fly, then slowly tighten the line by raising the rod. By this time the

fish has decided that there is something wrong with the fly or that it does not taste quite right and spat it out. But I also believe that a fish has much quicker reactions than the angler. In most cases fish hook themselves.

During September the fish returned to a kind of fly I found very successful six years or so ago: the FAA, named, I believe, after a certain E. A. Alden. It looks rather like

a pregnant pleasant lily; very small, and hatched—no more tackle than will keep it afloat with a little grease. It has proved useless for several years, but with very clear water in September, I found it came into its own again.

Rude people tell me that it is no more than a floating nymph, not a fly at all. But I have found it successful where nymphs were useless. This reinforces my belief that a floating fly, well presented, is the easiest way to catch trout. Using this fly, I have managed to average at least one fish on every visit to the river this season. Even the few blank days have produced such remarkable chances (which I failed to take) that I was happy to see the fish escape.

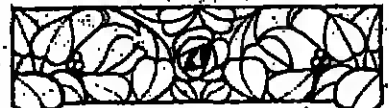
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TRAVEL

Arthur Sandles takes a trip to Cyprus...

Aphrodite's oasis

I DON'T know what Aphrodite made of it as she rose from the waters, but I thought it was distinctly warm. Cyprus, Jovianite haunt of the helle, had something of a heat wave this year; even a couple of weeks ago, it was off the beach and into the shade once the sun got up a little.

Cyprus sits at the eastern edge of the Mediterranean, its own problems almost forgotten by the world as the slightly off-kilter of Lebanon unfold. In Cyprus, the terror of the Middle East is strangely both near and far. There is no doubt that Cyprus is another world; yet Beirut is so close that, in the evenings, you can watch its television broadcasts.

Putting aside for a moment the Green Line that divides it, Cyprus is an oasis of calm in a much strained region. This could be the reason as much as its own natural attractions for the island experiencing a tourist boom.

The play about Cyprus, as old hands will tell you, is that the most scenic parts are in the British-controlled north, which is out of bounds. So what the north—arriving from the UK at Paphos or Larnaca airports—is a coastline that grows more spectacular as you head west and a range of mountains in the middle that provide a welcome touch of cool air in the summer months.

Aphrodite, by the way, is said by the locals to have popped up from the ocean and into this earthly world at Petra tou Romiou, a pretty little spot where a rocky outcrop is the focal point of a small bay. When she arrived, however, one imagines the main road did not run quite so close.

Rather less confined by such modernity are Aphrodite's baths, a delightful pool in a woodland setting. Rejected suitors were, it is said, recommended by the beautiful Aphrodite to calm their loving ardour in the chilly waters of one of the streams nearby.

The baths are to the north of Paphos, and it is here that the culture set should head. The Tombs of Kings, the House of Theseus and Paphos Fort are all in the town or nearby. The Curium site at Episkopi, not far from Paphos but nearer Limassol, is one of the ancient world's most spectacular sites, and sights. The Roman Theatre, set on the edge of a substantial cliff, has an incredible backdrop of the sea. The theatre is, in fact, still in use; when I was there recently, it was about to offer an evening of Irish dancing!

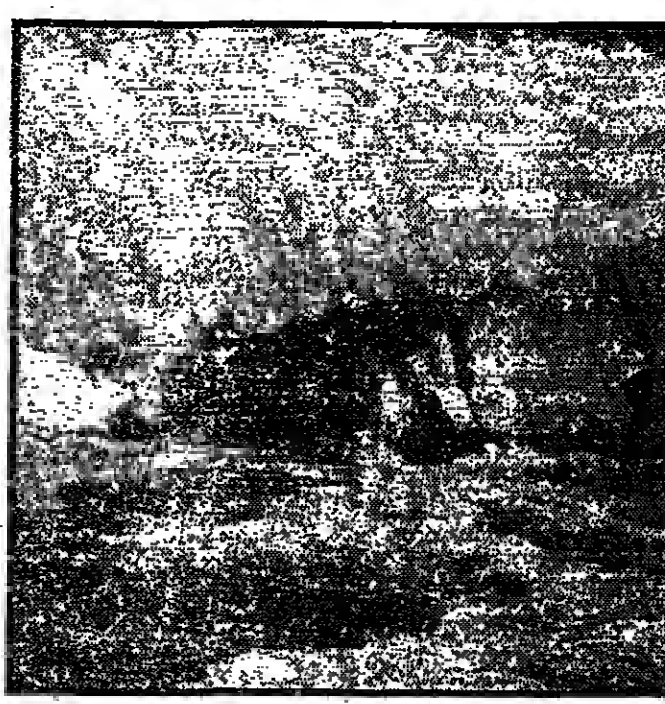
Paphos old town is a typical Greek urban community, with some charm but a great deal of dust. The port area is a pleasant little spot for lunch or

dinner, with several waterside restaurants offering meze (the quality of which can at times be ignored when the wine, which is good and cheap, flows freely).

A modern town is springing up with the "new traditional" collection of hotels, apartments and boutiques; I actually find it more pleasant than the old one. In Paphos, I stayed at a new four-star hotel, the Cypria Maris, which is appearing in many operators' brochures. I would certainly commend it—the food, incidentally, was vastly superior to that of most local restaurants.

The problem of Paphos is that it does not really beach much in the way of beaches. For those, you must head to the other end of the island and Ayia Napa.

This once-tiny village has grown enormously since I first saw it. The closure to most visitors of Famagusta, now in the Turkish zone, has led to the concentration of development down the coast at Ayia Napa, and the results are quite pleasant. A series of new, and very high standard, hotels have grown up. I stayed at the newish Grecian Sands, one of the best popular resort hotels I have seen for a year or so; and the town, which is devoted single-mindedly to tourism, is a jolly place to stroll around.



A beach mid-way along the Limassol-Paphos road, legendary birthplace of Aphrodite, Goddess of Love and Beauty

The capital, Nicosia, is interesting (take a look at the N forces watching the border posts) but not a place to stay on holiday. Limassol and Larnaca are well worth skirting unless you want to buy some shoes (certainly, the best buy on the island).

For me, a successful holiday on Cyprus would require a good hotel, several good books and a rental car (essential to catch a little culture, buy some shoes

and try a little more meze. The best time of year to go is the spring, with April, May and June ideal.

Further information: The Cyprus National Tourist Office at 213, Regent Street, London W1R 8DA, will give details of your operators serving Cyprus. There is no particular benefit in independent travel since most of the hotels seem to be tied-in with an operator or two. Cyprus Airways and British Airways have regular flights.

week motel package would cost \$275 a person for a week. Last winter I was paying \$20-\$25 a day for lift passes bought as needed and paying \$40-\$50 for quite reasonable hotel rooms. A one-week "skierised" car rental should cost about \$175.

If you want a total ex-UK package ask your travel agent for the brochures of American Dream (or call 01-470 1182) which runs trips to several U.S. resorts and Club Mediterranean, which has a club operation in Copper Mountain at \$566 a week in February, plus fares.

But American Express probably does the most effective programme in league with TWA, a wide range of results are offered at very good prices. For the Reno/Lake Tahoe area try writing to the Reno Sparks Convention and Visitors Bureau, PO Box 11430, Reno, Nevada 89510, U.S. Colorado Ski Country can be found at 1410 Grante, Suite A-301, Denver Colorado 80203, U.S. Ski Utah is at 207 West 300 East, Suite 5005, Salt Lake City, Utah 84101, U.S.

You can buy local packages which include accommodation and lift-passes. In Tahoe the package lift pass usually gives you a free run of five main resorts. A fairly typical one-

CHESS

ANATOLY KARPOV's unforced blunder in game 11 of the world title match in Moscow carries potentially ominous implications for the champion. A major factor in Karpov's successful career has been his ability to avoid really bad oversights; his rare defeats generally have come after dour battles of manoeuvre, or occasionally through being caught out in the opening.

The game 11 disaster, however, immediately brought back memories of Karpov's weak finish to the aborted series earlier this year when the challenger, Gary Kasparov, won both the 47th and 48th games. At that time, the slightly built Karpov had lost 22 pounds in weight during the match and was rumoured to be attending a Moscow clinic for psychological aid.

Karpov denied the stories, but doubts remained. It was significant last week that following his loss, Karpov took a quick draw with the white pieces and then opted for a weekend time-out.

WHITE: G. Kasparov. BLACK: A. Karpov. Nimzo-Indian Defence (11th game).

1 P-Q4, N-KB3; 2 P-QB4, P-K3; 3 N-QB3, B-N5; 4 N-B3, 0-0; 5 B-N5, P-B4.

More active than 5... P-Q3 played in the seventh game.

6 P-K3, P-P; 7 P-P, P-KR3; 8 B-R4, P-Q4; 9 B-B1, P-P.

If 9... N-B3; 10 P-B5 followed by B-QN5 gives White a significant queen's side pawn majority.

10 B-P, N-B3; 11 0-0, B-K2; 12 R-K1, P-QN3.

The position is now a standard Queen's Gambit except that Black has lost a tempo through his bishop manoeuvre QN5-K2. Press room grandmasters argued that Kasparov should have exploited his time advantage by 13 P-Q5, NXP; 14 B-N1, P-B3; 15 N-Q4 with good play for the pawn.

13 P-QR3, B-N2; 14 B-N3, R-B1; 15 B-R2, B-Q3!

With the point 16 B-R4, P-KN4; 17 B-N3, B-B2; 18 P-B3, P-N5; 19 N-K5, Q-P1; 20 P-Q5, NXP; 21 N-N, B-B3; 22 R-P3, P-N; 23 B-P, Q-B3; 24 Q-R4, KR-Q1; 25 QR-Q1, R-Q2.

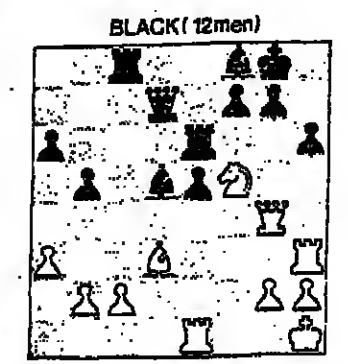
21... R-Q3 and QR-Q1 was simpler.

22 Q-KN4, QR-Q1? Both GMs still had half an hour for 18 moves to the time control, so there was no real danger.

Before Karpov's blunder, the press room was castigating Kasparov for his ineffective choice at move 13.

Here R12-B2 would keep the game level.
23 QxR! RxQ: 24 R-K5 ch.
K-R2: 25 B-N4 ch. Resigns.
For if P-N3: 26 RxR, B-R4;
27 BxN, QxR? 28 RxBP mate.

PROBLEM No. 589



BLACK (12 men)

A. Westerman v. P. van der Sterren, Brocco Open 1985. White sacrificed a pawn for this attacking position. The double puzzle is to work out (a) what he threatens and (b) how Black (to play) should counter best.

Solution Page XVII

Leonard Barden

BRIDGE

WHEN a declarer cannot get home by straightforward play, he must resort to deception. Let us study this deal from rubber bridge:

At game all South dealt and opened with one spade, to which North replied with two clubs. South rebid two spades; but when North raised to three spades, he shut his eyes and bid the game.

West held the diamond King, and the Queen won. The declarer saw that the only hope of fulfilling his contract was to make two heart ruffs in dummy. It was clear, however, that if he cashed the club Ace and ruffed a club, to discard two hearts on the Ace and King of diamonds and then lead a heart, the defenders inevitably would switch to Ace and another trump. This defence, by restrict-

ing him to just one heart ruff, would defeat the contract. Somehow, thought South, I must create a diversion and prevent the trump lead.

At trick two, therefore, he led dummy's heart ten, as though taking a finesse. West won with the Knave, and returned the nine of clubs.

Winning with dummy's Ace, the declarer returned a club and ruffed in hand. Then he discarded dummy's two hearts on the diamond honours, and ruffed a heart on the table. He crossed to hand by ruffing a club, and ruffed a heart with the spade nine. Another club ruff allowed him to ruff another heart with the spade Queen. East overruffed, but that was the last trick for the defence and South scored 11 tricks.

Deception is not the prerogative of the declarer—watch East's defence here:

E. P. C. Cotter

... and looks at American winter resorts

Go west for the best in skiing

THE U.S. ski industry usually reasons to get going on Thanksgiving weekend at the end of September, and run through to Easter. For the past couple of years that has been of scarcely more than academic interest in American holiday skiers. The strong dollar made ski trips to the U.S. prohibitively expensive; but a surprising number of UK skiers still made their way to the U.S. slopes, usually as part of a business trip.

U.S. skiing—or at least the Rocky Mountain and Sierra skiing of the west—is different. I would not bother to cross the Atlantic to ski New England, except perhaps for cross-country, into the slopes of Colorado, Utah, California, Nevada, New Mexico and Oregon are another matter.

The great plus factors are: the snow is more reliable, and, most of all, the tree line is much higher; the ski-lift systems better organised and the queues much shorter—and more polite. The disadvantages are that few U.S. resorts have any real "village" a car is often essential,

the U.S. west is a long way away, and insurance premiums can be high.

Still tempted? The places to head for are centred around three gateway airports: Denver, Salt Lake City, and Reno. Through Denver you can reach a range of resorts, but my own choices would be Steamboat Springs (a good all-round resort), Vail for that "old money" feeling, and of course, Aspen—probably the place I would choose if I were confined to one ski resort for the rest of my days. All three have villages, and a car is not essential.

In Utah the skiing is closer to the airport and a little cheaper than in Colorado. In spite of Utah's Mormon image, liquor tends to flow like water and the discos are as wild as anything alpine. Park City is the prime resort, a big bustling

place based on an old mining town. Snowbird is a purpose-built centre something like Flaine, in France, and Deer Valley is a glossy up-market centre for the skiing jet set.

It is difficult to compartmentalise resorts on the California/Nevada border grouped round Lake Tahoe and reached by road from Reno. There are 18 resorts in the area: the big names are Heavenly Valley, Squaw Valley, Alpine Meadows, Northstar. The skiing is very good indeed, with a range of terrain and some spectacular views of the lake.

To ski the area, however, you really do need a car. This enables you to pick and choose where to ski. If I had to choose, I think I would stay in North Lake Tahoe, and concentrate on Squaw Valley and Alpine Meadows. That is, to say that

I would willingly miss skiing Heavenly Valley at the south end of the lake. It offers dazzling Tahoe views on one side and, as you ski over the border, a panorama of the Nevada desert on the other.

Prices are difficult to quote: there are considerable variables. You should be able to get a basic excursion fare to the U.S. west for under £550 this winter. Try TWA, which is making a big effort to capture ski business, but American, Pan Am, Western, North West, British Airways and British Caledonian have routes to the main gateways (you can drive to Reno from San Francisco).

You can buy local packages which include accommodation and lift-passes. In Tahoe the package lift pass usually gives you a free run of five main resorts. A fairly typical one-

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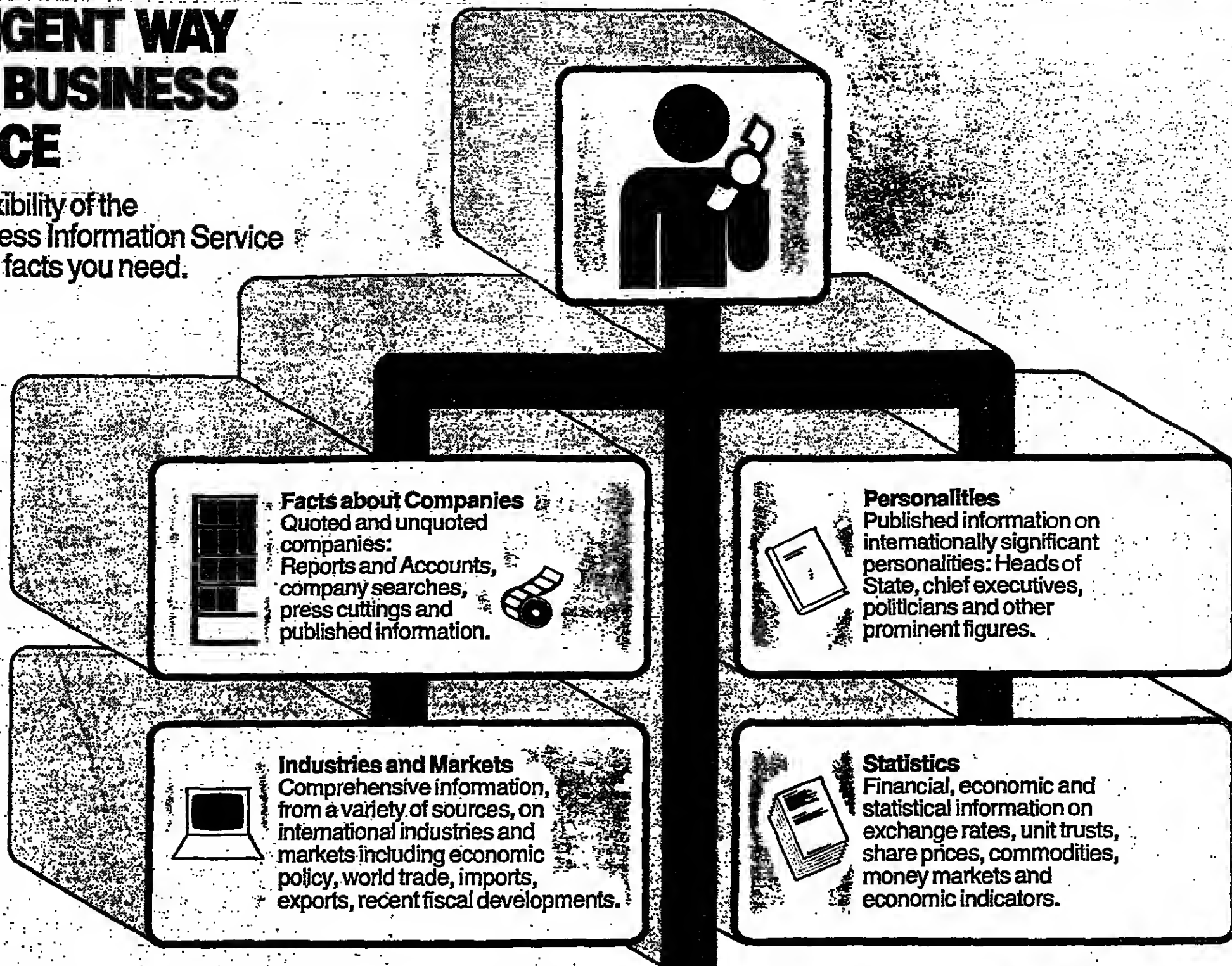
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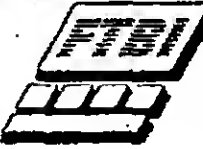


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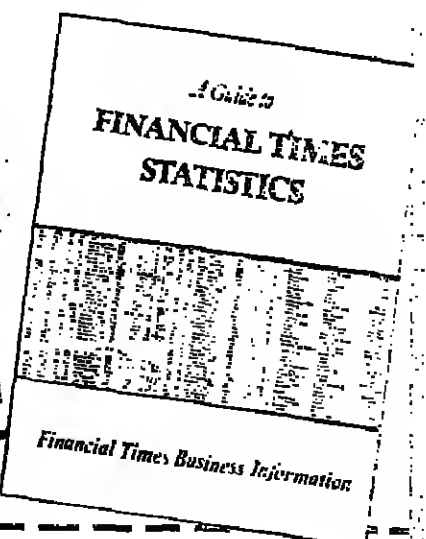
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DIVERSIONS

Starting from scratch: rowing



Lloyd Grossman takes the tank test at Twickenham

River of non-stop return

LIKE MANY people who go to Henley, I'm more interested in the punts than the rowing. For those who didn't row at school or university and are under six feet or 14 stone the world of competitive rowing seems forever inaccessible.

I like being on the water and have dipped out in both sea and river but only for the gentlest of paddles. Living as I do close to the Thames, I've often felt that a strenuous row along the river might provide the optimum combination of spirit and sightseeing. The rowing world is surprisingly open and informal and helpful to landlubbers once they show some inclination.

Sent to the Twickenham rowing club for my initiation, I was met by club secretary John Radgick—an estate auctioneer when not on the river—in the pleasantly run-down boathouse which lies among the great houses of that stretch of the Thames—Marble Hill Hall, Orleans House, York House.

As we sat in the club bar—like any other sports club bar rough and ready with the slight tang of the gymnasium—Radgick outlined the club's history. Not as rich or big as the clubs which crowd the Putney Embankment in London, Twickenham is a solid and respectable mid-Victorian foundation with about 250 members.

Rowing is a purely competitive sport in this country, Radgick explains and clubs aim to enter and win races at regattas held all round Britain. All rowers are classified according to the numbers of races they've won, ranging from novice up to elite. It is a sport which requires a lot of time and

commitment—Saturday and Sunday mornings on the river; Monday evening in the gym training; and more rowing on two other evenings.

Radgick admits that many people find it difficult to maintain the commitment as they get older and business and family demands increase, but once taken up rowing becomes a life-time interest and many rowers train and compete until well past retirement age.

It has to be stressed though that this is hardly a casual pursuit.

A tour of the boat house was fascinating as—at least for me—the beauty and elegance of the boats are an essential part of the sport's appeal. Twickenham has a fairly large collection of boats: sculls (for one oarsmen), pairs, fours and eights (all self-explanatory).

Although the club has recently invested in some of the smart new carbon fibre boats most of the boats are traditional wooden construction carbon fibre is more rigid than wood and so more energy efficient, but they don't last as long and as a consequence, only the richest clubs can afford to keep replacing them. Then there are the tubs—sturdy clinker-hull boats in which novices get their first on-the-water experience.

When you see a racing boat close up you appreciate how difficult the whole affair is—fragile and keelless they can be easily capsized by an unskilled oarsman.

But even before a trip in a tub comes the tank where novices are trained and more advanced rowers are fine-tuned. The tank is a bit like a small swimming pool: its function is to act as an artificial river.

Alongside the tank a sliding seat similar to that in a racing boat is fitted as is a gated outrigger which the oar fits into. So one effectively sits and rows without going anywhere.

I was surprised when Radgick handed me the oar—or blade as it is properly called. It is of course meant to be grasped with both hands and as a result is menacingly big—it's rather like gripping a flag pole. Then the ordeal of learning the stroke begins—not an easy or pleasant matter.

"The stroke is a continuous motion with no beginning or end," Radgick said and proceeded to demonstrate to an uncomprehending novice how to go through the motions. Then it was my turn. Rowing is one of the best ways to achieve total body condition but until you have achieved it you discover some quite astonishing new pains as legs, back and shoulders are contorted into hitherto unnecessary positions.

The blade is brought close up to the chest then pushed down with a rolling motion while extending the legs. Then it is lifted and pulled back as the legs are being contracted and somehow you're back to where you started only to be ready to start again.

After four or five most clumsily-executed strokes I begin to understand the whole motion: nature of galley slavery. I also begin to understand more of the skill of rowing—absolute precision and regularity in the stroke or else disaster for the crew. It is perhaps the most demanding of all team sports. And solo rowing—sculling—is for the very experienced only.

After one or two more hours in the tank learning the basic

stroke I would be taken out in a tub to get some river experience: then as soon as a space was available I'd be fitted into a novice crew. The structure of the sport ensures that people always row with and compete against those of similar skills, so the thrill of competition is there for even the most lowly novice.

Those looking for less physical punishment might consider being a coxswain, though the coxswain's position is fraught with danger. As Radgick cautioned: "An eight is 60 ft long and 30 ft wide and it doesn't have any brakes."

If you want good strenuous exercise and a year-round outdoor sport which rewards discipline with success and camaraderie and which you can pursue through your active life, then rowing may be the sport for you. I prefer less competition and more individuality, but next year at Henley I shall watch the races with more interest and understanding.

Details

ROWING IS more venerable as locomotion than sport. The first boat race in Britain was staged in 1715 when the Augustan comedian Thomas Doggett awarded the prize of a coat and silver hodge in the fastest waterman on the Thames. Doggett's Coat and Badge race is still held each year.

School and college boat racing began in the early nineteenth century. In 1829 Westminster rowed against Eton and Oxford rowed against Cambridge.

The Henley Royal Regatta, the world's most famous rowing event, has been held since 1839. But rowing is not only a public school and university sport, or indeed a Thames Valley one. Oarsmen and women come from all walks of life and from all over the country. All the great tidal rivers have their boat clubs and rowing is becoming popular on lakes and reservoirs.

More women are taking up rowing—there has been a great increase in the number of women crews over the last five years.

The governing body of the sport in Britain is the Amateur Rowing Association (6 Lower Mall, London W6, tel: 01-745 3423) who will be pleased to give the name of your local rowing club. Local clubs are happy to welcome and instruct beginners.

As the clubs own the boats and blades, there is little essential equipment for the participants to buy. Club subscriptions are surprisingly modest and rowing must rank as one of the "best value" sports.

Lloyd Grossman

The very fabric of our society

VIYELLA IS part of the great British tradition, a fabric now as rooted in our history and our culture as the changing of the Guard and a pint of bitter. It is as beloved by the haute couture designer as by the humble supplier of wares to the department stores.

Everywhere people are beguiled by the fabric's charm, its practicality, its air of honesty and durability. It is a true, blue-chip brand name—but in recent years it seems to have lost its way a little.

The fabric itself has always been incomparable but last year I found Viyella's own collection of clothing dull and pedestrian. "If it doesn't seem impetuous of me to say so," I wrote, "I think Viyella are best to leave the clothes-making to others—or get some better designers."

Viyella proceeded to do just that. Not only did they bring in some designers sympathetic to the fabric and to the need to move forward but they embarked on an ambitious programme of "claiming back its birthright," as the new chief executive, Michael Harvey, put it.

The clothing has now made

great strides. Not all of it is wonderful and there are still signs that the delicate balancing act of evolving a modern image with a traditional base hasn't quite been mastered. But there are some lovely Harris Tweed country suits with fashionably long skirts, devoid of the primness that spoiled the earlier designs.

However, clothes are just the tip of the iceberg. What they are embarking upon is nothing more nor less than a complete Viyella life-style—gentle, rural, based on natural materials and to be extended into almost every aspect of the Viyella fan's life.

Viyella shops—in Brook Street, London, in Guildford, Edinburgh and Nottingham—already convey what the new company style is all about. Children's wear, the archetypal Viyella product, which had not been made for four years—has now been reintroduced and you can once again find the hand-smocked dresses, those crisply-collared smocks that bring back images of nursery teas and crumpets before the fire.

There are fine pure cotton sheets and duvet covers in



A symphony in Viyella... part of the nightwear and bedtime collections.

white or cream, plain or lace-trimmed which not only are infinitely desirable for oneself but also would make splendid presents. There are scented drawer liners and innumerable bunches of dried flowers.

There are old-fashioned men's shirts and newly-fashionable ones with combinations of

different fabrics to bring them bang up to date. Nobody quite knows where it will all end. As Michael Harvey puts it: "Viyella is part of the social fabric of this country and as long as we do things consistent with its value, we can market almost anything."

Lucia van der Post

Design

Making it easier for the needy

ABOUT 18,000 people a week are visiting the Design Centre in London's Haymarket to see an exhibition with a difference. It is "Design for Need" and breaks away from the glitter and chrome that is often on show at the centre, and focuses on the challenge of designing for the Third World.

It illustrates how one organisation, the Intermediate Technology Development Group (ITDG), is providing design solutions for tough problems in developing countries.

ITDG was founded in May 1965 by Dr Fritz Schumacher, a National Coal Board economist, who believed that much of the technology exported to the developing world was too costly and labour-saving to be appropriate.

With the concept of "small is beautiful" he launched ITDG to put the idea of the small-scale and the appropriate into practice and to design the technologies that he believed were needed.

Dr Schumacher, who died in 1977, aimed to help people in developing countries work themselves out of poverty by providing them with more suitable technology. "Find out what people are doing," he said, "and help them to do it better."

Mr Keith Grant, director of the Design Centre, who knew Dr Schumacher personally, thinks it appropriate to hold an exhibition to coincide with the 20th anniversary of the launch of his ideas.

Design for Need traces the development of the technology development group and charts changing attitudes to inter-



The 26 ft kit boat designed for village fishermen in India.

mediate technology—once dismissed as rather weird, and now a concept with wide acceptance among governments and development organisations.

The exhibition features 20 low-cost designs and centres on a 26ft-long kit boat, designed for village fishermen in south India by Mr Edwin Gifford, a British boat designer.

Finding fibreglass for boat construction too expensive, the designers opted for plywood as the chief raw material, and used a "stitch and glue" building technique favoured by boat enthusiasts in Europe to construct the popular Mirror dinghy.

A range of simple manufacturing equipment for building materials using local clays is attracting attention. It points up the need of millions for better housing in the Third World where imported and mass-produced building materials have proved largely irrelevant.

Workshops in the West Midlands designed the equipment in the belief that people have the ability and resources to build their own homes, provided

the technology is available. ITDG's expertise surfaces in surprising ways. A West German charity asked the group to develop designs for low-cost lens processing equipment for Third World village workshops that have no electricity.

On show is an edger for shaping the lens and a surfacer for grinding and polishing. The ITDG equipment enables them to be made for around £3 a pair, compared with £15 in urban centres, helping bring spectacles within reach of many more in the Third World.

More efficient stoves, low-cost printing techniques, small-scale hydro electric designs, solar kilns for drying timber and load carrying tricycles are encouraging unusual antics by some visitors to the centre.

"We notice that some visitors are spending a lot of time on their hands and knees looking under the tables and other hardware to weigh it all up," an official said.

Many designs have come from the engineering departments of universities, polytechnics and technical colleges, which in turn have normally maintained con-

tact with counterparts in developing countries.

The Design Centre says: "The products on show may in appearance be very different from the aesthetically conscious products that we now take for granted in the industrialised world. But they often represent a tougher design challenge—be of use, and not cause additional problems, the design must be appropriate for the people who need it."

While the exhibition may be a departure from normal, the Design Centre says it is delighted with the interest it has aroused. For its part, ITDG says "public reaction has been tremendous."

Design for Need continues at the Design Centre, 28, The Haymarket, London, SW1, until October 28 (open Monday-Tuesday 10 am-6 pm; Wednesday 10 am-5 pm; Saturday 10 am-5 pm; Sunday 10 am-5 pm and transfers to the Scottish Design Centre, 72, Vincent Street, Glasgow, from November 18 until Christmas.

John Madeley

Plan for the year ahead

MY FAVOURITE desk diary has arrived—the one published by the Royal Horticultural Society for 1986, filled with delightful reproductions of flower paintings by Redouté.

Do not imagine they are all roses. Only three are; one a mystery picture showing Rosa centifolia with two extraordinary, anomalous, centred varieties, the like of which I have never seen. My favourite plate is called "Geranium Varlet" and shows two pelargoniums that are different from anything I know.

There are 84 plates in all, one for each week in the diary with an extra one of iris bulbata at the end. It all costs £7.95 and you will never throw it away.

This seems an appropriate moment to survey work in the garden for the next 12 months, October being a very convenient time to start since it sees the beginning of the autumn-winter planting season. Neither house is ideal for evergreens and also for a great many bulbs including tulips, hyacinths and also lilies if you can find anyone offering them so early.

In November, planting of trees and shrubs gets into full swing; that includes roses as well as fruit trees and bushes. This traditional planting season is for plants lifted from the open ground; but even container-grown plants move more safely and with less check in November than at almost any time.

December is mainly a repetition of November but depends

on the state of the soil, which might be too wet or frozen for planting. It is the time to get on with winter pruning but there is no need to fuss if the weather is bad as, with the exception of vines under glass, pruning can continue until February. This is a good month for digging ground and work in manure, compost, either garden or spent mushroom.

All December work can continue in January but vine pruning under glass should be completed by the middle of the month. It is also a good time to spray fruit trees with tar oil winter wash, but not after the buds begin to swell. Using a well warmed greenhouse or propagator you can sow some seeds of plants that grow slowly at first, notably pelargoniums, begonias and scarlet salvia.

In February, seeds of all the rest of the half-hardy plants can be sown, but not too early in the month if facilities for growing on plants are limited. It is the time to sow tomatoes and cucumbers for greenhouse cropping. Winter planting and pruning should be completed by the end of the month.

In March, everything depends on the weather. If it is dry and mild, many flower and vegetable seeds can be sown outdoors; but if wet and cold, it is better to wait until April. It is time to plant shallots and potatoes and many herbaceous perennials can be lifted, divided and replanted; again, though, do not hurry if the weather is bad. Lawns will need a first cut and a dusting of fertiliser. April is so busy that I never

manage to complete everything that should be done. It is the peak season for sowing vegetables and summer flowers out of doors and also is a good month to sow grass seed as well as taking many cuttings, including chrysanthemums and dahlias. All seedlings from earlier sowings in warmth will need more space, either by pricking out or potting singly. Gladioli corms can be planted; also montbretias, crocosmias and onion sets. Lawns need more frequent mowing and lawn weeds must be killed with selective herbicides.

By May, all the semi-tender plants that have been raised under glass from seed or cutting must be gradually acclimatised to outdoor conditions so they can be planted in the open at the end of the month or early in June. Pests and diseases will be appearing and should be dealt with before they get a firm hold.

In June, it is safe to plant out all the summer bedding as well as tender vegetables such as tomatoes, cucumbers, vegetable marrow and sweet corn. Wallflowers, forget-me-nots and other spring flowers should be dug up and thrown away; but seed of these and other biennial plants should be sown to give plants to flower the following spring. This is a peak month of growth for many plants, including fruit trees and turf, and they may need some extra feeding. It is also a good time to prune spring flowering shrubs and climbers.

July is the month to start summer pruning fruit trees.

Gardening



Faded flowers should be removed from roses. Spring flowering bulbs, particularly tulips and hyacinths, can be lifted, cleaned and stored until the autumn. Cuttings of many shrubs will root in a propagator or within the enclosure of a polythene bag. It is the best month for huddling rose rootstocks.

By August, onions and shallots are ready for harvesting and potatoes should either be dug and stored or he sprayed with a fungicide to protect them from disease. Raspberries should be pruned as soon as they have finished cropping. Rooted strawberry runners can be planted; also all autumn flowering bulbs such as colchicums and autumn crocuses.

Lawns will benefit from raking, slitting and the application of a special autumn lawn fertiliser. September sees the full start of the spring bulb planting season although it is mainly daffodils, crocuses, muscari and chionodoxa that are at all urgent. The rest can wait until October.

Arthur Hellyer

PUTTING up a stone circle was one way to display your wealth in prehistory. Or you could hide a bronze hoard, wear a gold neck ring, or be buried with jet jewellery, hoar's usk, snifter or, again, gold. Symbols of power at the National Museum of Antiquities of Scotland (which ends this Sunday, October 13) is an exhibition of how status was shown in the 3rd and 2nd millennia BC in North-West Europe.

A parade of gold neckrings from Ireland, Scotland and Cornwall; gold and silver cups imitating the clay shape known as a beaker from Cornwall, Switzerland, Brittany and near Bonn; daggers and beads; all point to a shared culture for the wealthy of the Bronze Age whether they lived on the Continent or in the British Isles.

There were, however, local peculiarities. Brittany had more daggers, and Wessex more gold. In Scotland and Ireland you would deposit a hoard of bronze objects (including axes, sym-

hols of power) as a piece of conspicuous consumption while you were alive, rather than having them put with you, as elsewhere, in death.

There was also a progression from the collective monument (the stone circle or great megalithic tomb) to the individual, the round barrow with few burials or even just one. The collective site is shown by a computer simulation of building and rebuilding Stonehenge.

The wealth of some during the individual stage is staggering—maybe not so much as those buried in the Shaft Graves of Mycenae, but clearly similar. And though we cannot prove any direct links, the Mycenaeans did have amber ornaments of

the Wessex culture, while the near-parallel in an amber disc found in Knossos came from Wilford in Wiltshire (in the exhibition). Very thin polished axes in jadeite, elegant and of no practical purpose, are another sign of the wealth.

Control of the copper and tin supplies needed for a Bronze Age, and the skill in gold that came with it, is a probable reason for such wealth. The new materials and products were the prerequisite of the few who showed their opinions of their predecessors by such rituals as burying a hoard (a new type of artefact) in the old stone circle at Brimond of Crichtie, Aberdeenshire. As a

public act this would be like turning a church into a mosque.

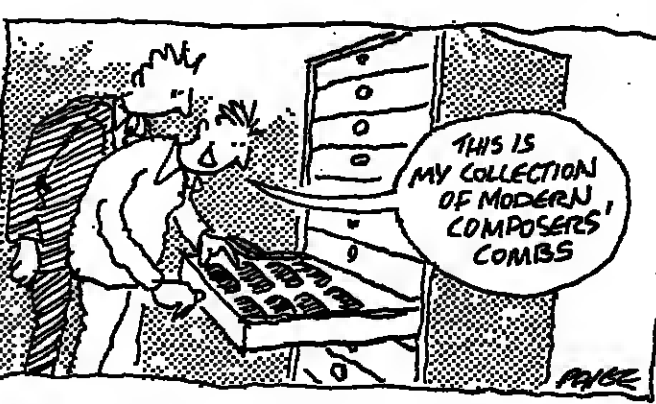
The objects are the strength of the exhibition. The display is lively and didactic—at times overly so—and explained in lingo verging on advertisers' trendy. How much those ancient elites would agree with its colour supplement attitudes is not certain. They would follow the materialist emphasis on luxuries but they might also say it has missed some of them. That all we can see of them is the material expression of their behaviour does not mean we should interpret everything in terms of their materialist desire to govern and impress others and adorn themselves. They were dependent on gods in ways we cannot know. It is quite likely there was a religious rationale for the wealth and beauty on show which in fact transcends the whole theme of the exhibition.

Gerald Cadogan

Exhibitions

Power with glory

Collecting Even maestros have mundane moments



IT SHOULD be a great consolation to artists in every field that critics, once dead, are rarely remembered; or, as some smarting composer once said, "No one ever raised a statue to a critic."

Few people, for instance, now recall the name of Edwin Evans (1871-1945), although in the early years of this century he did more than any other person to familiarise the British public with modern music from France and Russia; and to the end of his life was one of this country's leading authorities on modern international music. Evans, in his way, deserved a statue.

The extent of Evans's acquaintance and involvement in the cross-ferd musical world of the early years of the century is revealed unexpectedly by the appearance in the saleroom, 40 years after his death, of a selection of his musical correspondence. Christie's will sell these letters, in 75 lots, on Wednesday, October 16.

As always with this kind of autograph material, there is the fascination of discovering legendary figures in mundane situations. Debussy at the Hotel Cecil, Glazunov arriving at Charing Cross Station, or hearty Henry Wood "just off to 1st Prom Band rehearsal."

Evans found himself attempting to intercede with the Foreign Office when Chaliapin was refused a visa, on account of his "Bolshevik sympathies"; the Foreign Office might consider a transit visa an official concession, "on the condition that he went on by the next boat and addressed no meetings in London, that is if the Americans decided to receive him, which I think is very doubtful."

Even the great musicians could be hard-up and hard-done-by. On the eve of World War I, Stravinsky could by no means wring out of Thomas Beecham the money owing him from the Diaghilev season, and sent Evans a telegram: "Situation critical beg Beecham send money by telegraph." At the end of the war, Stravinsky was still railing against impre-

sario: Diaghilev was in London, presenting *Cleopatra* at the Coliseum but giving not a thought to the poor composer: "I imagine he worries little about the way I live."

Evans, who acted as English adviser to the Ballets Russes, clearly had to listen to a lot of complaints against Diaghilev. "The most likeable and the most perfidious" of impresarios, after Diaghilev had presented a cut version of *Daphnis and Chloe* at Drury Lane against the composer's wishes. He sought Evans's help in publicising Diaghilev's bad faith. Only a few weeks later Ravel had little time to think of music since, as he wrote to Evans, he was trying frantically to get himself accepted for war service as an aeroplane bombardier.

Evans clearly had a somewhat proprietary sense about the composers whose work he championed, and a letter from folk music they have collected respectively in Britain and Spain.

The largest part of the correspondence, hitherto unpublished, is with Stravinsky, who evidently used Evans not only to collect debts from Beecham, but also as an intermediary to sell his compositions to British publishers. Particularly interesting is Evans's apparent involvement when Stravinsky undertook the world's first commission for piano, in the autumn of 1917. The piano was appealed to Stravinsky as it was later to attract Hindemith, Howells, Goossens and others, because it allowed the composer to surmount the limitations of the 10 fingers and limited span of the human hands.

In his published correspondence, Stravinsky minimises the extent of Evans's involvement, but these newly revealed letters indicate clearly that Evans had corresponded early with him about the possibility of writing for piano performance, and that Stravinsky had relied on him to make the necessary arrangements with the Orchestre pianola company in London. Stravinsky, however, seems generally to have been graceless in his dealings with poor Evans. After years of correspondence addressed to "Cher ami" or "Mon vieux," and nagging for instant replies to his demands, he could coolly describe Evans in a letter to Ansermet as "decent but naive and not very intelligent."

The Evans correspondence appears in a sale of valuable autographs which also include a letter from Beethoven to his publisher, Schott, asking it to delay publication of the Ninth Symphony (estimate £20,000-£30,000); and a complete signed autograph manuscript of a love song by Mozart (£40,000-£50,000). An early autograph draft of *The Deep Blue Sea*, inscribed by Terence Rattigan to Peggy Ashcroft, has been presented by Dame Peggy to be sold in aid of the Combined Theatrical Charities Appeals Council.

Janet Marsh

DIVERSIONS

Lucia van der Post previews a unique fair

Fine art of crafts

THE FIRST Chelsea Crafts Fair was born five years ago when Lady Philippa Fowell had the bright idea of providing a marketplace for the work of craftspeople from all over the country.

Like almost everybody else with an interest in the craft world she knew that stunning work was being done but there seemed no co-ordinated attempt to bring together the work with the people who might buy it.

Most of the craftsmen and women had to tout their wares around the galleries and hope that one might like them enough to take some on spec—actually to persuade a gallery to buy a piece outright was almost unheard of.

That first Crafts Fair was an outstanding success. Those who wanted to buy could not only see a wide range of different work but they could meet and talk to the creators and so commission a special piece as well as buy.

FT readers quickly became faithful followers of the fair, many of them using it as a chance to do some early Christmas shopping. It does, after all, give a unique chance to buy something individual and one-

off, a change from the mass-produced wares in the department stores.

The event, in Chelsea Old Town Hall, has grown each year and this year's fair, which opens

next Wednesday, will be bigger and better than ever. The Crafts Council has been so impressed with the marketplace it offers that it is subsidising the appearance of a group of young and relatively unknown craftsmen and women from the regions.

Also for the first time, several of the most reputable Crafts Galleries (The British Crafts Centre, the Crafts shop at the

next Wednesday, will be bigger and better than ever. The Crafts Council has been so impressed with the marketplace it offers that it is subsidising the appearance of a group of young and relatively unknown craftsmen and women from the regions.

Also for the first time, several of the most reputable Crafts Galleries (The British Crafts Centre, the Crafts shop at the

V & A, Aspects, Anatol Orient and the Kingsgate Workshops) have decided that this is a fair they cannot afford to miss. From the point of view of the fair, this is exciting because it gives

a better mix of craftwork—besides the new and innovative work there will also now be work from more established and better-known craftsmen, all of which must increase the fair's prestige.

Anybody interested in creative, innovative work should make a point of going along. Some of the work is a little raw, much of it is highly polished; the sheer wealth of ideas and creativity is stunning. It is living proof, if you like, that this is the area where some of Britain's richest creative gifts are currently employed.

Even if you have no particular interest in the crafts as such, it is a wonderful place to hunt for presents of all sorts.

You will be able to buy anything from a beautifully-made ceramic vase to the finest jewellery (watch out for the work of Clare Murray and Mathew Warwick). There will be glass and some exquisitely hand-carved wooden toys (in particular look



out for the work of David Swift).

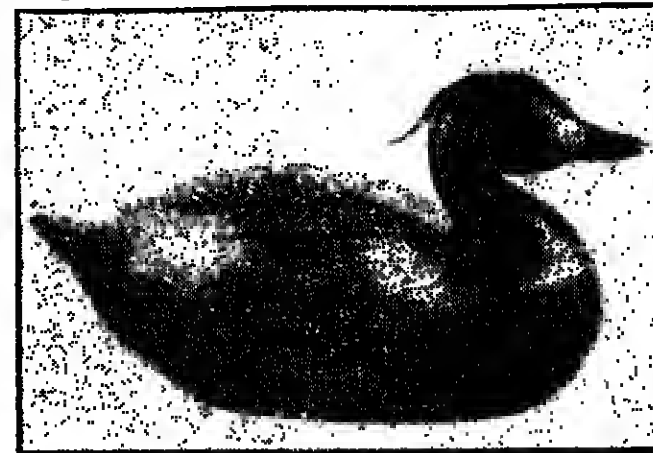
There will be leatherwork and weaving, tapestry and knitted garments, glass and silken robes, a la Fortuny.

And another very good reason for going is that it is all a lot of fun.

Chelsea Crafts Fair, October 16-22, Old Town Hall, King's Road, London, SW3. Open 10 am-6 pm (Saturday 10, Sunday 20 and Tuesday 22, 10 am-6 pm). Admission £2.

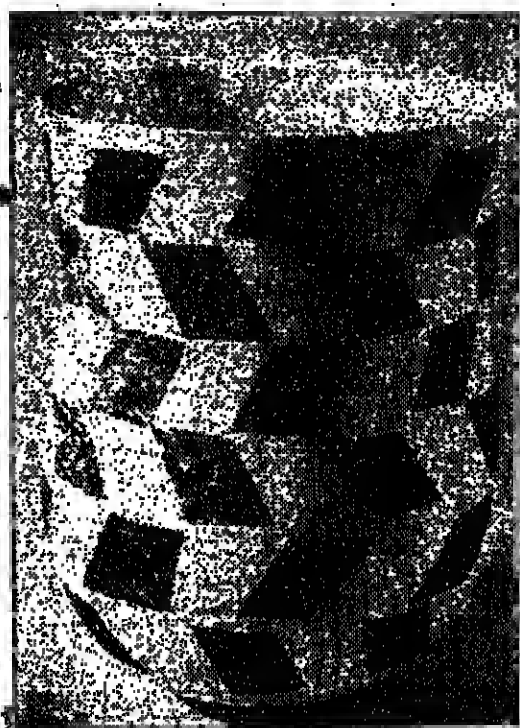
Above: Swan Lake, a multi-coloured painted wood construction built by David Swift, will go on sale at the Chelsea Crafts Fair for £310. Swift, a graduate of Edinburgh College of Art, lives and works at Gunthorpe Hall, north of Norwich.

Below: this large tufted duck carved and painted by Guy Taplin is characteristic of the artist's work. Taplin, a former meat porter, got his inspiration when he worked in Regent's Park. His duck and swan designs are popular with collectors.



Left: hand-pleated silk 'Barbara' dress features beaded shoulders and trailing lengths of fabric and cord to create an 'Eastern' ambience.

Below: a trio of classically simple, unfussy handbags priced in the range of £38-£55 with belts priced between £8 and £28.



Above: this hand-crafted pot, designed and made by Felicity Aylieff, of Twerton, Bath is surmounted by a bold, geometric motif.



At work on this year's vintage in the Gironde

Bordeaux leaves it late

The 1985 vintage took its time but now looks as if it could be one to consider seriously, says Wine Correspondent Edmund Penning-Roswell.

ALTHOUGH, fortunately, 1985 will not yet be another Vintage of the Century in Bordeaux, it already looks very much like one that no serious claret drinker can pass over. And, as often happens in the Gironde, the change for the better in the prospects took place relatively late in the six-month growing season.

The winter there was as severe as elsewhere in western Europe and the spring was wet and miserable; however, the vine flowering took place on time in mid-June, whose deficit in rain was made up in July, which was also fine. The main feature of August was not the great heat that often occurs, but a lack of rain almost without parallel.

One historically-minded chateau proprietor claimed that, to find a similar August, you had to go back to 1906. Compared with a norm over 30 years of 60mm, the rainfall throughout the region averaged 25.5mm.

Even hotter, drier weather followed in September when there was just 5mm of rain against an average of 75mm. The total of the two vital pre-vintage months of 30.5mm was even less than the 36mm of the famous 1984, and much less than 1982's 100mm.

If the 1985 vintage turns out to have special qualities, this will be owing as much to the exceptionally hot September as to the accompanying drought. In the second half of the month

afternoon temperatures ran between 25C and 32C. In consequence, the grapes were coming in from the vineyards at extremely high temperatures and had to be cooled immediately to avoid their going "over the top" and turning vinegary.

The effect of the drought has been to thicken the skins and reduce the yield of juice. In some parts, the grapes showed signs of drying up and the picking had to be brought forward—not too great a problem for those employing machine harvesters, of which there are now 1,400 in the department.

The wines certainly will have a tannic tendency, but nowadays this can be reduced by curtailing the period that the must remains in the vats on the skins. The wines should turn out deep in colour, rich and concentrated in flavour, with acidity perhaps a little lower than average.

The dry white Bordeaux should be excellent; but in the absence of the humidity that results in the "noble rot" this will not be a successful year for Sauternes and the other sweet wine districts.

Serious frost damage, mostly in the outer areas, and hail that particularly hit Ludon, Macau and part of the Graves, have led to suggestions that this year's red wine crop will be small; but this is not so. The official forecast is for 2.7m hl compared with 1.9m hl last year.

If confirmed, then only the exceptionally large 1979, 1982 and 1983 red Bordeaux vintages, all of which cleared the 3m hl mark comfortably, would be bigger since World War II, although this is indicated slightly by the continued turnover from white to red wine production. This also has contributed to making the 0.3m hl of white wines the smallest

vintage since 1981. The favourite Bordeaux game of trying to relate the latest vintage to its predecessors already has started. The famous "dry" years of 1929, 1945 and 1961 are quoted; but conditions were quite different, not least in 1961 when a tiny crop was produced with hardly any Merlot grape, which is prolific this year after 1984's disastrous failure. A nearer comparison might be 1975, with an infusion of 1982. But, in fact, no Bordeaux vintage ever is really like any other.

There is not likely to be any firm indication of prices for these 1985 clarets for another six months—when the wines have undergone their first winter and the final blendings of the various grape varieties have been made—but it is certain they will not be cheaper than the 1984s, many of which have been considered overpriced relative to the clearly superior 1983s.

Unfortunately, many of the owners of the top 250 chateaux live in a price world of their own, owing partly to the en primeur buying pattern that exists in Bordeaux. Most can assert with pride that they sold all they wanted of their 1984 crop within a day or two—even an hour or two—of announcing an opening price probably higher than for their 1983s. But this was because defaulting negociants would not be "on the list" for the now-very-promising 1985s.

The other vital consideration affecting prices is the monsoon factor. Each estate owner will make every effort to avoid being outpriced by his neighbour. When, for example, Pichon-Lalande raised the opening price for its 1984 from FF 85 a bottle to FF 100 (the 1983 had opened at FF 67), it was quite clear that their neighbours at Léoville-Las-Cases and Ducru-Beaucailou

would not hold their prices at FF 90 (FF 70 for the 1982). In fact, both came out at FF 110.

Other growers now somewhat backward in the price race—such as Lynch-Bages, La Lagune and Gruaud-Larose—took the opportunity to "catch up" with their 1984s: not, perhaps, the best year to move up fast.

Yet, largely for the reason given above, most of them sold. However, before a vintage can be considered sold, the wine has to pass two more vital tests. The negociants must sell their purchases to their trade customers all over the world, and the latter must convince their consumer clients that it is a vintage worth laying down promptly. The 1984 vintage has not proved all that popular; so the better the prospects of 1985 appear, the greater the task of selling the earlier year.

So concerned over this are the more enlightened sections of the Bordeaux trade that a high-level delegation of proprietors is to visit London and New York in December to give representative tastings of the 1984 clarets to the trade and Press.

In fact, these 1984s have been undervalued; and in my recent visit I tasted at the chateaux a large number of attractive, full-coloured fruity wines: some rather hard at the end and short on the taste, but that is a matter of careful selection. With much more to them than the 1980s that came into belated favour, they will provide very agreeable drinking before the much-more-esteemed 1982s and 1983s should be uncorked and degusted.

Meanwhile, as the U.S. is the decisive market for fine claret, the level of the dollar-franc exchange next spring will have a marked effect on the opening 1985 prices. And much, of course, will depend on the reputation that the 1985 clarets acquire in the coming months. If they are judged to be "investment wines," they will find a market in quarters where the aim is profit rather than consumption and where price, therefore, is relatively less important.

In any case, the first-growths, which generally have held their price of FF 170 a bottle for three years (except Latour, which added a further FF 10 for the 1984), almost certainly will increase their opening prices to at least FF 200 a bottle; and higher figures have been suggested.

Above all, however, these depend on the American market to sell their total average output of 150,000 cases. If their prices rise and are followed by other growers with a comfortable-sized crop in their cellars, the latter may find problems in selling. But that will not remove claret from the buying list; for one of Bordeaux's greatest assets is the wide range of its wines, many of them underpriced as well as undervalued.

Cookery

A shop where they make a meal of it

Philippa Davenport visits a new London food shop where many delicacies are created on the premises

LONDON'S newest food shop, Flans of Chelsea Green, is a little different from most. What makes it unusual is that so many of the good things it sells are its own produce.

Most of its smoked and cured fish, poultry and pork products come from the Irish estate of one of the shop's owners, and these foods are supplemented by freshly-cooked dishes prepared in the kitchen at the back of the shop.

The "menu" will of course change daily but it should always include some soups, pates, marinades, salads, hot main course dishes and desserts. In other words, you can buy from Flans the wherewithal for a full-scale meal, so it could be a useful address to remember for days when you feel unwilling to cook and are not inclined to eat out in a restaurant.

Flans cure their own bacon and bams and smoke their own salmon, mackerel, luscious fat kippers, goose, chicken and turkey. They make their own sausages, and hand-raise pork and game pies.

They sell their own range of rich fish soups (95p per ½ litre), and pates, and lazy foods like mussels ready stuffed with garlic butter (£1.80 a dozen), miniature smoked salmon fish cakes (45p each) and brochettes of mussels and bacon (75p each) ready to pop under the grill.

Meaty main course dishes to eat but include spiced lamb with aubergines (£3.80 to serve four), individual steak and kidney puddings (65p), and pheasant with pale and mushrooms in port and cream sauce (£4.40 to serve four).

There are lighter dishes, including lovely sounding marinade—gravadax, carpaccio and Japanese-inspired ideas such as brill steeped in hazelnut oil with slices of pickled lemon and lime (from £2.20 to £2.50 per ½-lb portion).

There are pasta sauces, sweet and savoury roulades, and cheeses (bought in) which include rarely-seen soft Italian varieties such as Robiola and Fiorone. Nice little extras include bunches of fresh herbs in season, home-made wholegrain honey mustard and garlicky

apple jelly.

The foods are well turned out in terms of packaging. In fact some of the packaging is good enough to grace a dinner party table. For example, individual portions of smoked fish pate can be bought in tiny ceramic pots, which give the impression that the pate is yours rather than bought.

These ceramic dishes make the pate seem expensive initially (85p per portion) but the pots are refillable at the shop for 40p each.

On all Flans' products, their Dublin Bay prawns excited me most. The prawns come fresh direct from the Irish estate, either split and stuffed with garlic butter, or plain.

Here is my recipe for the plain ones (which cost £4.20 per pound), a speedy and exceedingly greedy feast for two people:



DUBLIN BAY SALAD

Pull the heads off 2 lb whole raw Dublin Bay prawns. Split the tails along the soft underside, but do not shell them.

Grind pepper and salt over them, paint generously with best olive oil, and set aside for a few minutes while you put a loaf of bread in warm in the oven and lay a salad of lettuce and herbs (plenty of parsley and chives, and some mint or basil or dill) on a shallow serving dish.

Grill the prawns briefly, turning them as necessary and basting them with another good slurp of fruity olive oil. As soon as cooked, tip the prawns on to the salad and pour the pan juices over them.

Serve straight away with wedges of lemon and hot crusty bread.

Flans, 4 Elystan Street, Chelsea Green, SW3 (01-225 0733). Open Monday-Friday: 8 am-8 pm, Saturday: 8 am-1 pm.

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on Monday 9th December 1985

After seven years of Deng Xiaoping, has China become a more relevant trading partner? Peking now has diplomatic relations with almost all countries of the world, membership of the UN, the World Bank, IMF and other institutions. It welcomes foreign investment, technology and trade. How far has this "Open Door" policy genuinely taken hold? The survey will look at Chinese policies and institutions to see whether the open door has come to stay. Among the subjects to be covered will be the following:

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Mrs Rodd in pursuit of love

NANCY MITFORD
by Selina Hastings. Hamish
Hamilton £12.50, 274 pages

NANCY MITFORD died in 1973, after a long and terrible illness. The following year Sir Harold Acton, a lifelong friend, wrote a delightful and affectionate memoir; but even Sir Harold, with his unfailing discretion and loyalty, felt frustrated that consideration for friends, and his publisher's explicit wishes, prevented him from telling the whole story. Now, a decade later, and with family blessing, Selina Hastings reveals the full history of Nancy's great love for Gaston Palewski, romance of her life, hero of her novels, and for more than 30 years the source of joy and sorrow. The Colonel, as Nancy always called him, gave the author Nancy's letters, and they are of a intimacy that not even her sisters suspected: her pursuit of love indeed had a dusty answer.

Lady Selina has written a most sympathetic book about the private life of a very private person, Mrs Rodd (as she preferred to be known) who lived quietly in France. The subject of Sir Harold's book is Mrs. Nancy Mitford, witty friend, sought-after guest, suc-

cessful novelist. Mitford fans require both volumes.

When Nancy Mitford contemplated writing her own memoirs, they were going to begin in the year 1945. She thought that enough had been written about the Mitford childhood, and indeed Muv and Farve have almost become characters in an idyllic Edwardian soap opera. Selina Hastings skilfully avoids paraphrase, and shows that the parents encouraged their talented children more than hitherto said: Lord Redesdale was a Francophile, not a chauvinist, and he sent 12-year-old Nancy a little poem ending "I have no desire to quench, My child's desire for learning French." Presumably, too, Nancy intended to say little about her early attachments, in her twenties she had a long and despairing engagement to Hamish St Clair Erskine; he was irrepressibly naughty and rather hopeless, and he aroused the strong maternal instincts which Nancy felt, too much, for the men she loved. They enjoyed gaily charades and the paraphernalia of fancy dress balls, but Hamish was not made for marriage, and brutally broke off the engagement.

Absolutely over the rebound, Nancy married the glamorous

Peter Rodd. He was a golden boy, engagingly handsome, but so feckless and unfaithful that the marriage, in spite of Nancy's every effort, gradually fizzled out. Rodd was the model for Evelyn Waugh's Basil Seal, and he was an Oxford hero of my youth; every summer he would advertise for Balliol undergraduates (for he had spent one brief year at that college) to crew his Mediterranean yacht, and very proud were those who had "Frod" stamped on their passports.

In 1942 Nancy's life changed completely and forever when she met the Colonel, then in London as the trusted aide of General de Gaulle: Gaston Palewski [writes Selina Hastings] was possessed of all the qualities that to an English eye epitomise the sophisticated Frenchman; he was charming, he was amusing, he was a great lover of the arts and an incorrigible womaniser. In a cliché, he swept Nancy off her feet. For the first time she knew the ecstasy and the domination of total love. "I will now confess to you that you inspired me with feelings which were not only unknown to me before I saw you but of which I had not guessed the existence," says the

Princesse de Clèves, in Nancy's own translation of her favourite novel. Their romance was conducted with passion and discretion in Little Venice, Eaton Terrace, but not at the Connaught Hotel, where they were sent downstairs by a stern receptionist. "Connaught" became between them the equivalent of "Swann and Odette's" carleas.

War once over, Nancy went to live in Paris, long the city of her dreams. "One can be more cheerful here than anywhere else in the world." She also longed to be with the Colonel, and found a flat in the rue Monsieur five minutes' walk from his. But though he was the core of Nancy's life, she had been to him but a spring-time fancy. He was very fond of her always, and a loyal friend, but he made it clear that their liaison was not to be acknowledged in public, and marriage was out of the question. Nancy submitted to many humiliations. She was not allowed to "turn up" to the Colonel, nor call him by his Christian name in public. If invited to the same party, he insisted that they arrive separately. When she visited his flat, she was treated like a soubrette in a Feydeau farce, pushed behind screens or into cupboards if another guest

arrived. Her letters are pathetic: "Darling Colonel, I know one's not allowed to say it, but I love you." "Your darling voice and your darling handwriting with it in an hour of each other is almost too much happiness." "Dear darling Colonel, I think of you the whole time." "I wish I were sitting on your door like a faithful dog waiting for you to wake up you dear darling Colonel." It was not a willow-cabin at the gate that Nancy sought, it was a dog-kennel; it is pitiful to read her self-abasement. Her letters are as heart-rending as Charlotte Brontë's pleas to Monsieur Heger, but Nancy's are sadder still, for she was a *femme du monde*.

I was fortunate enough to meet Nancy Mitford several times in Paris. One's first impression was her youthfulness; her slender figure and rapid walk were those of a young woman, and in appearance she much resembled the William Acton drawing on the cover of this book. She was elegant and soignée. Her character was reserved, her conversation gracious. "It is hard to imagine anyone more witty or urbane, in particular she had a special turn of phrase and a gift for selecting the apt word which was all her own. It was enchanting to listen to her, for she had developed almost a special language... it became the natural way of speaking in the families of her brothers and sisters..." St

Simon's account of Mme de Montespan exactly described Nancy.

Once she suddenly said "Let's go and see Gaston." At that time the Colonel was a minister, and he lived in a sumptuous flat like an enclavé of hall-rooms, in the Palais Royale. He was most friendly, welcoming and genial. But in his presence Nancy became another person; the woman of the world turned into a schoolgirl; her voice accelerated, and to illustrate her stories she used the jerking gestures of a marionette, as she desperately tried to amuse.

The years did not diminish her feelings; sometimes unrequited love dies as abruptly as a fused light-bulb, but to Nancy it was a lamp of inspiration; all her best and happiest books are influenced by the Colonel. The novels are as sparkling and fresh as the day they were written, and glow as if alien to them as cobwebs. She found happy escape in her books on the 18th century. "My greatest pleasure is reading to gather up material for a biography."

In 1986 Nancy bought a house at Versailles, rather tucked away, and overlooking a garage. However, she made the house pretty with antique furniture and Hellenic drawings, and saw the large unkempt garden as if it were filled with a thousand flower-strewn Edwardian hats. Soon after she moved Nancy was attacked by the agonisingly



Nancy Mitford: a portrait by Cecil Beaton recently discovered in the Sotheby's archive.

painful Hodgkins Disease, and for four years fought a battle with pain: "I love life so much, but not this sort." Nancy Mitford's last years are most movingly described by the author. She has written a most perceptive biography: her

research has been considerable but is never obtrusive, and she has, wisely, made her book rather too short than fashionably over-long.

Jane Abdy

Wagging tongue of warriors

THE OXFORD BOOK OF
MILITARY ANECDOTES
Edited by Max Hastings. Oxford
£8.50, 314 pages

"WE TALKED of war, Johnson: 'Every man thinks meanly of himself for not having been a soldier, or not having been at sea.' Boswell: 'Lord Mansfield does not.' Johnson: 'Sir, if Lord Mansfield were in a company of General Officers and Admirals who have been in service, he would shrink; he'd wish to creep under the table.'"

Whether this book will cast its spell over those who have not endured war and military service I cannot say. But I am sure of one thing: for those that like this sort of book, this is decidedly the sort of book they'll like. It contains, in all, 334 entries, beginning with "And the Lord sent unto Joshua" (at Jericho) and ending with the surrender of the Argles at Port Stanley. Between (and in chronological order) come e.g. David and Goliath, Lars Forssena and Horatius (by Livy, not Macaulay), Leonidas at Thermopylae, the geese on the Capitol, a good deal of Alexander, Hannibal crossing the Alps, Julius Caesar landing in Britain, Attila the Hun, Crecy, Agincourt, the fall of Constantinople, Cromwell, Wolfe, Frederick the Great; and so on, down to the First World War, the Second World War and beyond.

In the first sentence of his Introduction, Mr Hastings anticipates the only possible criticism. "An anthology which seeks to reach out across the vast expanse of military history will inevitably leave its readers by omitting the stories he himself holds most dear." Well, I could, I suppose, instance a few, if I christenly sat down and put my mind in it, but I'm not going to. There is such a mass of good, honest stuff in the book, and so much that even the most prudish reader is hardly going to have come across before, that the inclusions must outweigh the omissions. Anyway, at 403 pages of text, plus an excellent list of sources and a

good index, the book is surely as long as is practicable. After all, you've got to be able to hold it up in bed.

Although they tend to merge one into another, there are really three kinds of military anecdote. First, there is the deliberate, self-conscious account of the chronicler or historian; secondly, the work of the diarist or reminiscence-writer; and thirdly, the self-contained yarn, funny or otherwise. This last is not found very much until about the turn of the 17th century, though Mr Hastings has laudably succeeded in finding a few earlier ones. However, the 18th century arrives after 100 entries and about two-sevenths of the total pagination, which for my money, and in terms of sheer entertainment and readability, is altogether acceptable.

Mr Hastings's only problem seems to have been that, having set himself to span a period from the earliest times to the present day, he found his subject-matter falling between the olden-days attractive but essentially serious stuff, such as Alexander's acquisition of the horse Bucephalus, and the modern-times kind of humorous military anecdote we all enjoy.

Of course, there must have been funny military stories in ancient times, but they have not survived. Limited literacy and the difficulties of reproduction restricted our forefathers' output of narrative; and anyway nothing varies with nationality and time as much as humour. On this Mr Hastings comes clean. "This selection is principally British and American, with occasional forays among foreign armies." Searching through Xenophon, Caesar and others, I found surprisingly few passages that possess the quality of whimsy, and stand... well alone. And he adds later: "For the reader disappointed by the paucity of German stories from the two World Wars, I can only say that I found almost nothing to compare with the quality of the English and American material." Can't say I'm surprised, are you?

This is a splendid and totally successful book, strongly recommended by me for possession and for Christmas presents. I per-



An 18th-century volunteer cavalryman drawn by Rowlandson

sonally would have liked a longer more discursive and scholarly introduction, and perhaps there are rather more misprints than there ought to be. But this is to be captious. I cannot really criticise the book, so I will conclude by letting it speak for itself in a few excerpts:

"When, after the Battle of Alexandria in 1801, Sir Ralph Abercromby was being carried off mortally wounded, a soldier's blanket was placed under his head to ease it. He felt the relief, and asked what it was. 'Only a soldier's blanket,' was the reply. 'Whose blanket is it?' 'Only one of the men's.' 'I wish to know the name of the man to whom the blanket belongs,' persisted Sir Ralph. A short pause ensued, until the information had been obtained. When the reply was given: 'Duncan Roy's, of the 51st.' Sir Ralph: 'Then, declared the wounded general, 'see that Duncan Roy gets his blanket this night.' (James Settle)

(Coleridge) "was acting as sentry at the door of the officers' ballroom. Two officers passed. He quivered what they thought was Euripides."

"Excuse me, sir," interrupted Coleridge. "The lines are not

accurately quoted. Besides, they're not from Euripides; they're from the second antistrophe of the Oedipus at Sophocles." (Carpenter)

"One or two" (members of White's) "did not follow the war very closely. General Alexander, fresh from his triumphs in Italy, came into the Club one day in a flannel suit, and was greeted by a contemporary who lived in Ireland. 'Hello, Alex. I haven't seen or heard of you since the war started. What have you been doing with yourself?' To which Alexander replied: 'I'm still soldiering.' (Lord Ismay)

And for sheer authenticity and plus ça change, my favourite. (Gibraltar is under siege.) "January 2nd, 1728. Here is nothing to do nor any news, all things being dormant and in diversions of drinking, dancing, reveling, whoring, gaming and other innocent debaucheries to pass the time—and, really, to speak my own opinion I think and believe that Sodom and Gomorrah were not half so wicked and profane as this worthy city and garrison of Gibraltar." (S.H., an unknown British soldier.)

Purchase and read on.

Richard Adams

Long Innings

CARRINGTON: A LIFE
AND A POLICY
by Patrick Cosgrave. J. M. Dent.
£10.95, 182 pages

IT IS a good idea to write a book about Lord Carrington. He was the longest serving Conservative minister in the post-war period, lasting from Churchill to Thatcher, and all the time in the Upper House. He is an amusing man who talks like a character out of P. G. Wodehouse, but who is essentially a realist and a Tory pessimist. He presided over the settlement in Rhodesia, now Zimbabwe, which had defied his predecessors, and he finally resigned as Foreign Secretary over the Argentine invasion of the Falklands. He is now Secretary-General of Nato.

He had his ups and downs, of course. It would be very easy to make a strong case against him. It is arguable that he should have resigned over the Cribche Down land affair in the 1950s and over his handling of the Vassal sub case in the early 1960s. Perhaps, too, he gave bad advice in persuading Edward Heath to go for a premature General Election in 1974. Nevertheless, it is his record as an ambassador that adds to his interest.

Patrick Cosgrave makes much of the criticism, but very little of the case for the defence. For the most part his book is an attack on the Foreign Office, accompanied by some virulently pro-Israel views on the Middle

East. There is not very much about Carrington the man. Oddly enough, the attack could have been sharper. Cosgrave records that Carrington was "surprised" to become Foreign Secretary — his long-time ambition was to be his first minister when his administration in 1978. It is more accurate to say that he insisted that that was the only Cabinet job he wanted and was given it at once.

But there are also unfairnesses. Carrington's profession of ignorance about economic policy is largely an affectation, for which the author has fallen. He has considerable knowledge of the international business world. He spent time at RTZ, not mentioned here, and after he left the Foreign Office he came chairman of GEC, which is given only one line.

The real reason why he resigned as Foreign Secretary was that the fury of the Conservative 1972 Committee turned on him at a meeting after that famous Saturday morning debate on the Falklands. During the debate, the furor was concentrated on John Nott, the Defence Secretary. But Nott was at least a House of Commons man. Carrington was not, and much of the modern Tory Party did not like it. I continue to think that the Foreign Office came out of the whole Falklands saga relatively well. At least it had advised on the need for a settlement. It was the House of Commons that refused to listen.

Malcolm Rutherford

Italian high-flier who made it easy

MR PALOMAR
by Italo Calvino. Translated
from the Italian by William
Weaver. Secker and Warburg.
£5.50, 118 pages

SELF-HELP
by Lorrie Moore. Faber &
Faber. £8.95, 183 pages

ANGST
by Hélène Cixous. Translated
from the French by Jo Levy.
John Calder. Paperback. £4.95.
219 pages

INSIDE BABEL
by Snoo Wilson. Corgi &
Windus. Hardback £8.95.
Paperback £3.95, 208 pages

RUNNING BACKWARDS
OVER SAND
by Stephanie Dowrick. Viking.
£8.95, 349 pages

ITALO CALVINO, who died last month, was the world's most readable and intelligent novelist who could also be described as thoroughly modernist. His death was an enormous loss not only to Italian but also to world literature.

The universally acknowledged enchantment which he brought to his retelling of old Italian stories, and of such classics as *Orlando Furioso*, was quite as apparent in the mass of his extraordinarily innovative, complex and unquestionably metaphysical "trifling" fiction. This was because he understood that however many new beginnings have to be made in literature, readers would inevitably reject work which lacked a story. An author may mock at the story element, or he may wrap it up — but,

paradoxically or not, it seems as though it has to be there.

This short novel about Mr Palomar, a character standing to Calvino in much the same relation as *Teste* stood to *Marco Tullio*, was first published in Italy in 1983, and now appears here in the translation by William Weaver, who has done such good service to Calvino.

In this book Calvino might be said to combine the extremes of realism — with wonderful and wry recognition of its peculiarities — and the extremes of modernism. But his modernism was always of the restrained sort, never for the sake of impressing. He was one of the very few contemporary writers who have tried to fulfil the demands of his times, but no more. The book is a sparse record of Mr Palomar's apprehensions of reality; not for nothing, of course, is he given his name.

It is a hugely complex work, for all its brevity, and one much more moving than might at first seem apparent. There is a key to it at the end, and that will prove increasingly important to the reader who perseveres. It is a fitting swan song, and one that must be read by every serious student of fiction.

Self-Help is a collection of nine lucid, terse, witty — and often tragic — stories by a new young writer, Lorrie Moore. The stories have been called, in America, cruel. But although they are laconic and worldly-wise to a very sharply satirical point, I felt that they

were the opposite: we can only be honest, and behave with feeling if we know at least something of why we're not and speak as we do. Lorrie Moore's strength lies in an ability to expose fatuity, "trendy thinking," mechanistic responses. She is so much more cruel than occasions demand. She writes exceptionally well, implies a great deal more than she says, and has real style.

These tales are light things, though frequently exquisite. Ms Moore should have an excellent future, and consciousness of her skillful and compassionate writing that is also intelligent will not want to miss her first book.

Hélène Cixous, who is Algerian-born, has said of her method of composition that she sees a space, so fills it. Would that many more novelists were as honest! Cixous is in fact in French terms rather old-fashioned: she is still floundering about in the sterile world of the nouveau roman, which was abandoned some years ago by writers who wanted to be interesting. She is a literary critic, and a very intelligent one; her virtues as a novelist are less apparent. She is a sort of French Susan Sontag.

Everything is admirable about this chaste stream-of-consciousness of a woman delving about in her own mind except the reading of it, which is singularly boring and at times unintentionally funny. The publisher's blurb, which is over-eloquent, declares that *Angst* will become a cult book. Well, it is certainly admirable in some respects—for example,

as a psychological key to the feminine consciousness. But it is not a novel, and it is exactly the sort of writing Calvino was rightly—against.

But Cixous is serious, and she should be applauded at least for that. It would not be difficult to argue a quite different view of her work than the one I give here. The same cannot be said of Snoo Wilson's *Inside Babel*. This is supposed to be "exuberant" comic SF, and I feel sure that this author has talents as a playwright or script-editor. This effort is unimaginably tedious and unimproving, and it would have been a kindness to its writer to tell him so.

Stephanie Dowrick, who was born in New Zealand and has therefore been compared to Katherine Mansfield, is known here as a co-founder of *Woman's Press*. *Running Backwards Over Sand* is her first novel. (The epigraph to it about the common cormorant or shag laying its eggs in a paper bag, is not in fact "anon") but by Christopher Isherwood. It is a diffuse book, with some awkward writing, but it is thoughtful and well-observed.

The shadow of Mansfield, who never, however, could have allowed herself to be so long-winded—looms at times rather self-consciously over it, almost as if the protagonists were a combination of the author and someone determined to re-live Mansfield's life at greater length and in a different way. Nonetheless, it is a sensible and promising book. Martin Seymour-Smith

Island story

LAST LETTERS FROM HAV
by Jan Morris. Viking.
£8.95, 176 pages

IT IS the Celtic part of Jan Morris which is currently uppermost. Anatomised "last year in The Matter of Wales, the principality, a mouse that roared, is the author's ultimate topographical self-image, geography as a state of mind. The Welsh, she says, are "born between cultures, languages and loyalties, uncertain of their true identity." Ruler of the divisive medieval kingdom, which is of Miss Morris's invention (I am Welsh and not asunder), is Owain Glendwr.

The Matter of Wales depicted him as a dashing native hero, a medieval Cbe Guevara. Travel-writing went into abeyance as Miss Morris sketched, in a short-story, her ideal country: the English kept out; passport controls, customs and excise sheda and armed police brought in. Wales became a tough little territory, a confederacy of the exiles Miss Morris had experienced throughout her long and vagrant career. And everywhere in Wales, Big Brother posters of Gledwr.

Last Letters from Hav (it is one of six works of fiction on this year's Booker Prize short list) is an extension of this bustling Welsh Ruritania, this Celtic Shangri-La, this Portmation with the gloves off. I misread the title as *Last Letters from Hav* — Rayon-Wye being the town in the Black Mountains where the author lives, a town famous for its many dozen second-hand bookshops and self-appointed King (Richard Booth). Miss Morris's new volume comes second-hand from her own previous books. *Hav* exists everywhere and, like Samuel Butler's *Errebon*, nowhere — an impossible combination of maritime and continental, marsh and mud. The itinerant scribe arrives at night in a Russian loon, an iron

monster belching black smoke at the snow; day is woken in her hotel next by a melancholy trumpet sounded from a miner. The dawn market Miss Morris wanders through is a fusion of the old Covent Garden and an oriental bazaar, a mafiosi godfather strolls, taking his pick of the produce. *Hav*'s old quarter is cobbled Victorian roccoco with elements of the exotic Venetian; the new quarter is sleek Le Corbusier baus.

Miss Morris falls in with fractious students (a crew of anachronistic beatniks) and rents an apartment: "I find myself all too easily adapting." *Hav* is a strange country she has known all her life. Though compact and quaint, however, it is not sleepy. Like Bogart's Casablanca, during the war the "place was full of drug-addicts, poets, homosexuals, pacifists. God knows what." (It was in Casablanca, incidentally, that James Morris had the sex-change operation.)

Marco Polo visited, as did Freud — who came in 1876 "to search for the testes of the eel" (he failed). Miss Morris is the final celebrity to come across the border. As she prepares to leave, warships plough the bay; jets squeal overhead; terrorists explode bombs. *Hav*, its palace in smoky light, becomes Beirut — or, Miss Morris's Welsh fantasies being what they are, Cardiff when the balloon goes up.

Roger Lewis

CRIME

AN EXCELLENT MYSTERY
by Ellis Peters. Macmillan.
£7.50, 190 pages

BROTHER CADFAEL'S chronicle of life in 12th century England are always a pleasure. This time, the basic situation — fully revealed only at the very end — is hard to accept (and the reviewer cannot discuss it without giving it away): so you read the book for the excellent presentation of historical information, the clean prose, and the attractive supporting cast.

William Weaver

Last of West

COUSIN ROSAMUND
by Rebecca West. Macmillan.
£9.95, 295 pages

REBECCA WEST wrote and had published nearly 20 books and this does not make the book retention complex dreaded by authors and publishers alike. Yet *Cousin Rosamund* forms the third part of an enormous unfinished novel of which only the first part, *The Fountain Overflows*, was published in her lifetime.

Dame Rebecca would not or could not, form it into a final shape satisfactory to herself. This, in spite of the detailed outline which is quoted by Victoria Glendinning in her brief appendix to *Cousin Rosamund*. Undeterred by their reluctant author, Macmillan last year brought out *This Real Night* which continued the story of the Aubrey family through the final disappearance of Mr Aubrey, the tragic death of the beloved son, Richard Quin in World War II and ended with the climactic death of the dominating Mrs Aubrey.

The remaining family consists of three daughters: Rose, who tells the story, and Mary, both concert pianists, and Cordelia, their earthbound and despised sister. Between them stands Cousin Rosamund, oelther artist nor earthbound but a representation of a good life-force. Around them lingers the unlikely fairy god-mother figure of Mr Morpurgo, a Jewish financier. Also enmeshed in their story are the inhabitants of The Dog and Duck public house, including Nancy, the Aubrey's prodigal and daughter of the murderers, Queenie.

With such a cast of unattached women, it is hardly surprising that this last volume deals with love and marriage. First to succumb is the pure and beautiful Rosamund. Horrifying the sensibilities of Rose and Mary, she delivers herself to an ugly, vulgar, immenely

wealthy businessman. Some of the best and funniest passages describe the confrontation of these two cultures. Nestor Ganyemedios' hold over the virtuous Rosamund is inexpressible to the sisters. The scenes at The Dog and Duck as a portrayal of working class culture are inventive and original but remain literary. An absurd climax is reached when released, murderers Queenie is married to her daughter's religious fanatic father-in-law.

Cordelia is already married which leaves Rose and Mary next in line. Mary, it soon transpires, is shocked by ideas of sex but Rose, our heroine, begins to crack up in the way of dissatisfied virginity. In a brilliantly extended set-piece, she goes to play at a country week-end concert and falls in love with a composer. Thus art joins with art and finds warmth and human fulfilment as well.

Rebecca West wanted to call the finished work "Saga of the Century." Judged as that, she failed in her task. Now we see almost the entire work (a few further pages remain unpublished) the conflict that made it impossible for her to finish becomes clearer. She planned a huge thematic work. As she wrote herself:

"The point is that Mary and Rose represent all that can be got out of art, all that art can do, which is not everything. There is something else, the work of the spirit which was done by Rosamund and Richard Quin. Unfortunately the difficulty of realism" in the work of the spirit" in living flesh defeated her, causing Rose to become her most interesting figure and her theme distinctly lopsided. Rose's story, particularly in this volume, in her search to reconcile art with human love, becomes the true subject of the novel.

If the book as a whole was to succeed, Rebecca West had to sacrifice her grand theme for this more ordinary and more personal story. Instead she failed to finish. Rose, Rebecca, Rosamund—it is as if she, herself, was confused by the identity of her characters. Rachel Billington



MARGARET THATCHER
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B. A. Young reports on the Cheltenham Festival of Literature

The raising of the spirit

ALAN HANCOCK, the greatest secondhand bookseller this side of Hay-on-Wye, is programme director of this year's Cheltenham Festival of Literature, and he has chosen as his theme *The Spirit of Place* in literature. Here in Gloucestershire this at once means Laurie Lee. He gave two readings in the first week, which was spread all over the county—Winchcombe, Leckhampton, Soudley, Cirencester, Southam, Stroud, Bishop's Cleeve. Laurie Lee was faithful to Cheltenham, however, on the Friday at the Ladies' College, sharing the evening with songs and readings by students and staff, on the Saturday in the town hall, sharing the time with Andrew Motion. His ad hoc introductions are as redolent of the Spirit of Place as his poems; but to show that there is a world elsewhere he included Town Gardens, SW10, and a piece about a tipsy road in Jersey. Andrew Motion, of whom I have not read enough, read his poems with a commendable lack of drama.

On Sunday, while the rain fell pitilessly all day, there were four star fixtures. In the morning, Christopher Fry analysed his attitude towards the use of language, illustrating his arguments with extracts from his plays. His talk was an exemplar of clear and elegant speech, such as you would expect from the writer of *The Lady Not for Burning*. In this he was a clear contrast to Michael Ruse, who followed him in the evening with *Byron in Venice*, a talk of great interest delivered with an unusual quota of hesitation and misreading. He spoke well of Byron's play *Morano Paliero* (which the Young Vic gave some time ago), and especially well of *Don Juan*, which he reckoned the greatest anti-war play in the language.

From anti-war yet warlike, Byron we passed to warlike but unidentified Homer, as paraphrased by Christopher Logue in *War Music*, vigorously performed by the author and Alan

Howard. I have heard them do this on radio, and as there were difficulties that caused over-crowding in a small hall, I heard the first 20 minutes through an open door and left them to their enthusiastic audience.

Between Mr Fry and Mr Foot, Michael Pennington gave his fine impersonation of Anton Chekhov, reconstructed by himself from biographical and other material. To hear him talking of his medical practice and his journey to Sakhalin, of his Astorian concern with the states of the land, of the Trigrinesque behaviour of his friend Levitan, who shot a sea-friend—these things confirmed my long-held feeling that Chekhov was really just like you and me, but became a great man as a writer.

This year's Shakespeare Lecture was by Professor Glynn Wickham. He applied the festi-

val theme to Shakespeare's plays in an excellent talk that put the apparently missing scenery back into them. Not only "another part of the forest," but the true scenery, the clash, for instance, between the puritan ideas of Holland and the romantic ideas of Italy as represented by Antony and Cleopatra.

Ronald Blythe confided his love, not so much of Northamptonshire, but of the country in general, as distilled in the writing of John Clare, who has become so likeable to us in this very different age from his. He gave some samples of his prose writing, less familiar than the poems.

The point elegantly made by Professor Peter Levi in Thursday's talk on Eliot's England was that in spite of his external Englishness, Eliot always remained of foreigner. Europe to him was an extension of Boston, where, as a newcomer from St

Louis, he had felt uncomfortable. His reactions expressed in the Four Quartets were the more truthful because, as a foreigner, there was nothing for him to take for granted.

E. P. Thompson's Cheltenham Solihby Lecture on Blake was very different. He admitted at once that you could not possibly associate Blake with the Spirit of Place, then spoke for 90 minutes with little specific mention of Blake until the last quarter hour. His subject was the route by which the philosophies of the antinomian sects of the 17th century, the Dissenters, the Levellers and so on, could have survived their suppression for a century to find such similarity in Blake. His engrossing talk finished with the triumphant revelation that Blake's mother's brother, George Hermitage, was a member of the Muggletonians, an antinomian chapel that lasted from 1651 to our own time.

Besides the announced theme, the festival has a pronounced sub-theme. This is, Women are OK.

On Friday, October 4, the Raving Beauties—three pretty well-known actresses—gave a reading in Cirencester from a powerful collection of new poems sent to them by women from all over the UK. Next day came a debate between three contributors to Penguin's series *Lives of Modern Women*—Elaine Feinstein, Carol Angier and Caroline Moorehead.

Among the big audience, multiple incarnations of Rattigan's Aunt Edna, was a lady who asked indignantly why she had to hear such offensive material from the Raving Beauties. (It is a fair guess to say that she was not likely to have stayed after the debate for *Angels of Fire*, Radical Poetry Night.) On Tuesday, a five-part debate, all feminine discussed whether women poets were even now getting their due share of publication; on Wednesday, Carol Ann Duffy performed her own collection, *Standing Female Nude*.



Laurie Lee

Records

Two Wagner conductors

WAGNER: TANNHAUSER. König, Popp, Meier, Welk, Rott, Jerusalem, Sima; Haink/Savarian. Radio Symphony and Chorus. EX 27 0263 3 (three records), also on cassette and compact disc.

WAGNER: PARSIFAL. Eiss, Worth, McIntyre, Meier, Joh, Fellwell, Gwynne. Goodall/Welsh National Opera. EX 27 0178 3 (five records), also on cassette.

THESE new EMI albums illustrate different kinds of professionalism in Wagner. Bernard Haitink and Reinold Goodall are both superlative musicians; but Haitink is above all an international conductor, with the technique to draw gleaming results from the orchestras he visits and the tact to accommodate star singers. Goodall needs to work with his players for a long time, and with his singers too (he is after all a great and revered teacher). The international opera market finds that awkward, and only our domestic opera companies have been able to give him a long enough rein.

I don't mean to imply that Haitink is swift and slick, Goodall-clumsy but deep—only that their recorded performances here are incommensurably different, for the reasons given. Parsifal is Wagner's last, most idiosyncratic and consciously ruminated work, whereas the 1860 "Dresden version" of Tannhäuser that Haitink conducts is half parody-piece, half inspired groping toward new expressive possibilities. The Dresden Tannhäuser (including many second thoughts, but not the

"Paris" Bacchanale and further revisions of a dozen years later) is musically more of a piece—and briefer—than the familiar version, with its Tristan-period touchings-up. Dramatically, it is a little stiffer and a little more frankly ambiguous. Wagner never tended anything so simple as a confrontation between luxurious sex and chivalric chastity, though the Paris version makes that an easy reading. The intended message was much more like that of his early *Das Liebesverbot* (after *Measure for Measure*): love is carnal too, and Tannhäuser's misfortune is to recognise that when his fellow courtiers and the Pope himself—prefer to delude themselves otherwise.

Haitink marshals his choral and orchestral forces very well indeed. The recorded sound is excellent, and the big Victorian periods of the score get full value—the tidy virtues of the 1860 version, without the Paris sophistications, come up bright and clear. Among the soloists, Kurt Moll makes wonderfully smooth, rich Landgraf, and though the last Royal Opera performances persuaded me that a ho-soprano Shepherd is best, Gabriele Sima is freshly innocent. As Wolfram, Bernd Welk sings at his best (he is strongest, I suspect, in such passive roles), heartfelt and appealing; the lesser minstrels get non-violent Wagnerian music, and none of them discover anything special in it.

The leading lesser minstrel, Walther von der Vogelweide, is the current *Hilfskünstler* hope, Siegfried Jerusalem: casting from strength, if you like, and yet the periodic delicacy of the vocal line quite eludes him. A Victorian ear of any nationality

would have heard him as graceless and hefty—and the same is true of Klaus König's Tannhäuser, in his first-scene eulogies in Venus. In the latter acts he is tolerably forceful, but a really faithful "Dresden" version ought to enlist singers with the flexible French elegance of the period. Lucía Popp's Elisabeth is strong, stylish and detached, with a hint of immediate feeling. Waltraud Meier's Venus comes closest to an honest, vital reading; keen intelligence and a fast vibrato are equal factors.

Miss Meier is also the Kundry of Goodall's Parsifal. We are used to plangently mature Kundrys; but the character is meant to be several hundred years old, so there is room for free reading, and she offers something lithe and volatile instead of deep-pile guilt at a certain age. For this Parsifal there is also a nervy but straight Kingsford from Nicholas Foulwell, and David Gwynne's solid Titus. Like them, Philip Joll's Amfortas is nakedly sincere, not equipped to show off with his cries of "Strafe!" and "Erbarmen!" but well able to carry the character passionately through.

For a Goodall Parsifal that seems to be just right, Parsifal does not indulge its singers—least of all its titular hero, who gets only a few exalted passages after his initial baffled outbursts. Young Warren Ellisworth is properly anguished, sudden and young; a sharp performance that raises doubts about whether an heroic timbre has any point at all in this role. Ellisworth is no less musical than he is intent upon dramatic communication, and his rough variety of voices (from keen

high tenor through character-voice to hoarse baritone) loses nothing. His every phrase, lovely though some of them are, is acutely felt and pointed.

The chief vocal burden remains with wise old Gurnemann, to whom Donald McIntyre brings more than enough intelligent sympathy to keep the role alive; and beyond him is the conductor. Goodall has trained his Welsh National players up to easy authority: without orchestral fireworks, phrase succeeds phrase with homely cogency. There are no acoustic effects—the Karajan version, for example, boasts far greater evocative "depth"; with Goodall the offstage brass is unmythically close-to, the choruses always a little backward. His sense of unhurried rhythm secures its own rewards.

Perhaps I am not old enough to find that sufficient. To my ears Parsifal's own music sounds too deliberate and devalued. Kingsford's too temperate, the Flower Maidens too stretched and therefore unconvincingly flat (where they are meant to be aggressively flirtatious, nobody would guess). Nothing is grossly slow, but there are too few injections of fresh energy. Wagner's cannily-placed contrasts suffer—and yet, if only in concert-performance terms, Goodall's shaping of the score makes most others sound brittle and uncommitted. For listeners too young to have heard Knappertbusch or even Kempe, Goodall's Parsifal should disclose what Wagnerian breadth amounts to.

David Murray

Radio

Close to the edge

pretty roughly imagined, and a passage about half-an-hour before the end, to which details of a lot of extra cases were dropped in, was clearly only there to take up an extra five minutes.

No Larger than Life (also Radio 4, Saturday) was an imaginative comparison of Alexander Selkirk's account of his adventures when marooned on Juan Fernández, as he told them to Daniel Defoe, and Robinson Crusoe's adventures as Defoe took so many liberties. Defoe took as well written an original tale of his own. As reconstructed by Philip Mackie, Selkirk's time was less adventurous than Crusoe's. He had a gun, and shot goats until he feared running out of powder; then he caught them by hand. There was no Man Friday, though he once saw some distant sailors. When he came home (which was in Scotland, not York) he only stayed a short time before quitting his young wife and going back to

sea. Defoe wrote a *Further Adventures of Robinson Crusoe*; but we know nothing of the further adventures of Alexander Selkirk.

"It is a strange thing, to be an American," Archibald MacLish wrote; and it seems stranger still to be an American writer. They agonise over their responsibilities as if they were bound for the priesthood, and once reconciled to being novelists they worry about being Americans. Radio 3 gave us an engaging piece about Philip Roth, known to most of us as the author of *Portnoy's Complaint*. John Updike and others discussed with Professor Stephen Fender, and with Roth himself, why he wrote as he did; what were his influences, why he wrote so much about Newark; what it meant to be a Jew. It was all as interesting as if we were studying some rare species in a glass case. A year ago, we had an interview with Graham Greene, who has written more, and many would

say more important, books than Roth, but no one ventured into the kind of territory, nor has Greene himself, in his modest autobiographical writing.

Then yesterday, also on Radio 3, we heard about Raymond Queneau, a French writer not only of novels but of poems, film-scripts, philosophy, cabaret songs and other more serious things. Richard Mayne brought in Iris Murdoch, Richard Cobb, Miles Kingston and half a dozen of Queneau's French admirers. They said, with little overall agreement, that he was small-scale, so very French, secretive, an indulgent pessimist, anxious to ward off through his comic writing his fear of chaos. No one asked what had prompted him to become a writer, what his influences were, whether he found writing difficult, how it felt to be a Frenchman. I suppose we in Europe assume that a writer becomes a writer because he wants to. In their different ways, I think our way and the American way are both interesting; but they tend to result in contemporary American writers becoming more highly praised than our own. Perhaps they are better. Perhaps they have better publicity.

B. A. Young



Summers Place—Sotheby's new out-of-town auction house

Saleroom

A place in the country

THE BIG London salerooms are coming down to earth. After years in which they saw their futures in selling multi-million pound Impressionist pictures at evening auctions in New York before appreciative crowds of tired socialists they are re-discovering the virtue in disposing of granny's second-best bed. They have realised that there is money in the English (and Scottish) shares.

Last week Phillips, always the most streetwise of the gang, bought its 13th provincial saleroom, at Par in Cornwall. This week Sotheby's moved out of seven scattered sites in Pulborough into a redundant convent school a few miles down the road outside Billingshurst. It has spent almost £1m on Summers Place but the extensive Victorian Gothic property has converted nicely into five salerooms. More to the point, it has space for hundreds of cars; the auction houses have followed the supermarkets out of town.

During its cash crisis three years ago Sotheby's retrenched on its satellite salerooms. It closed its Belgrave offshoot and sold off, to its staff, its acquisition at Torquay, leaving itself with just Pulborough and Chester. Now it has become excited about their prospects. Indeed Pulborough, or rather Summers Place, with a turnover of £9m, makes a greater profit in relation to sales than any other Sotheby's operation, including New York.

Basically it handles all the works of art snuffed out by

Sotheby's reps in the field south of the M4 (Chester gets the northern goods) which have not quite the international appeal to warrant an auction in London. Like most auction houses Sotheby's like to offer a complete service: in practice this is impossible and the cheapest goods it will pass on to local salerooms. But to secure the masterpieces it is increasingly happy to dispose of the run-of-the-mill through Summers Place and Chester.

And the not so run-of-the-mill. With its new saleroom Sotheby's is raising its minimum lot, where possible, from £50 to £100 (except for books). It is also holding, for a couple of days each month, an important sale in its regional outposts with goods to attract international dealers. The specialist items—tribal art, Japanese prints, and so on—will still go to London, but in the affluent south, where there are many private buyers, Summers Place will be organising auctions that turn over hundreds of thousands of pounds.

By operating a tight ship, with a small staff, regional salerooms can be very profitable. The valuers are skilled enough to recognise a potential money-spinner in a specialist area for referral to London, and within a couple of years Summers Place will have the computerised equipment available to flash goods through to London on screens for instant appreciation. But the traffic is not one-way. Summers Place will be home for

the sporting goods department at Sotheby's, currently in Bond Street, and more specialist sectors may disperse to Sussex.

In contrast to Sotheby's re-discovery of the provinces Mr Christopher Weston, chairman of Phillips, can hardly tour the country without buying another small auction house. Phillips is constantly looking for more perhaps the under-exploited chattels side of a major estate agent. It believes that having a saleroom in the high street draws custom much more effectively than a system of well-placed regional experts.

Phillips will also take everything off the vendor's hands, down to the kitchen sink. In places like Colwyn Bay it will hold just weekly sales and not expect an annual turnover in excess of £500,000, or many lots going for over £100. But into Colwyn Bay may come the object which ultimately sells at Phillips in New York. Around 10 per cent of its London turnover is sent in from the provinces.

All the salerooms have stories of their local representative recognising the umbrella stand which is really a Ming vase worth £200,000. Phillips is currently processing a statue brought into its Oxford offshoot which turns out to be genuine Roman second century AD and worth £50,000. By having the provincial network the auction houses not only get thousands of low value items that they have learned to turn a profit on, but also supply a

service, and unearth the costly items which, with their usual 20 per cent margin, they survive on.

Even Christie's is taking a closer look at the regions. Traditionally Christie's has had the best connections with the old rich, the aristocrats and country families, and has relied on local representatives whose activities in the field have been as much social as businesslike. The company did, however, buy Edmonds in Glasgow in 1978 and last year boosted its turnover by over £600,000 in £3.9m.

Its main purpose is to sell goods with a Scottish interest (and currently Scottish paintings are a flourishing market, to say nothing of Scottish furniture of the turn of the century) but it is appealing to the nationalist feelings of the Scots and is handling some important commissions. Last month it sold a painting by the 18th century artist John Wootton of a huntsman for £227,500, the highest price for any work of art sold in Scotland and for a picture with no particular Scottish links, apart from its owner. Perhaps not surprisingly Christie's is planning to invest more heavily in its Glasgow auction house.

So, after the costly expenditure of the Big Three in New York, the next few years are likely to see more modest, but perhaps more profitable, spending in the towns and counties of the UK.

Antony Thornicroft

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Social workers are in the news, occasionally to their credit, so it was apt to hear *Place of Safety*, by Michael Z. Lewin, as last week's Saturday Evening Play. This is about a good, hard-working lady social worker, set to discover who is inflicting a series of injuries on seven-year-old Amy, including a savage beating. The play was a characteristic Saturday evening piece, verging on the edge of crime, though only Lewin's police were on the margin. The identity of the guilty party was concealed until the last moment by directing it elsewhere, but in fact it hardly mattered which candidate was guilty.

The glimpse into a social worker's existence was interesting, and is presumably accurate enough, for it is no secret that the author's wife is a social worker. Dot (Maureen O'Brien) was shown as conscientious and active, and should serve to boost social workers' reputations a bit, though her affair with a handy solicitor was

Solution to Chess No. 588
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WEEKEND FT

Private View

Yes, but is it art?

This has been London Fashion Week. Nigel Andrews gives a quizzical assessment.

THERE WAS Sir Roy Strong of the Victoria and Albert Museum (and of that matter of the FT) saying that fashion design was one of the higher arts and a form of "living sculpture," and there was I sitting in front of the television, gaping in disbelief.

Surely this nonsense has gone far enough. Nary a week goes by but someone calls clothes design or cookery or copywriting or cat-breeding a "higher art," in which there is as much room for beauty, nuance, ideas and self-expression as in painting, music or literature. Some one must come forward and insist that there are, as there have always been, (i) fine arts, (ii) applied arts, (iii) skills with an aesthetic input which can very loosely be called arts (eg "culinary arts") and (iv) non-arts.

In the category of non-arts I include all activities in which there is minimum manoeuvre for individual infection. A postman surely fulfils his vocation best by delivering letters — rather than, say losing them or keeping them? And I do not take my car to a garage to submit to the self-expressive whims of an avant-garde mechanic, although I often remove my car to discover that he has exercised them. It then has to go back again.

In the category of skills with aesthetic input — such as the gourmet arts — there is room for style and individuality. But these virtues are exercised purely on a sense-appel level and do not attain the status of "ideas." Poetry can make a statement; so can architecture. The only statements cooking can make are "I taste delicious" or "I taste unpleasant." I am digestable.

Of course, writers on cooking (and Heaven knows, writers on wine) seldom resist appropriating the higher-faluting vocabulary: "A Jocular Burgundy with an ability to hide its fragile mask under a rife of affability. . . . And neither do some restaurants. How many times have we read in menus of "a subtle fillet steak charbroiled by our very own chef in our very own kitchens (where else,



"Living sculpture" This creation by Artwork, commissioned for the Venice Festival, has been donated to the Victoria and Albert Museum and will be among the exhibits at the knitting exhibition which opens there on October 22.

nn wonders?) with a flick of savagery in his addition of Tahasco.

In the "applied arts" we come to something much more reasonable. Yes, pottery can reflect its maker's ideas. So can furniture, carpets, above all architecture. Shape, texture, colour, line: the four horsemen of visual expression can all be harnessed in creating notions of nobility, vitality, grace, joy, weight, aspiration. However, the point about applied arts is that they have to accommodate themselves to a practical purpose.

The fin arts—blessings upon them—have no practical purpose whatever. They are, and we must ensure they remain, as free and "uncensored" and illimitable in their expressive possibilities as our own dreams and doodles, those fine arts we all

THERE are those inside football who claim it can live without television. Personally, I doubt that. I am, however, absolutely certain that television can live without football.

That is point one. The second is that football, like every professional sport these days, cannot exist in its present form without commercial sponsorship.

Point three is that most commercial sponsors rate exposure on the box as the main reason for their investment — all football clubs know that. Without television, the sponsors are dissatisfied. If this situation persists they are likely to sever their associations with football, a situation already bad enough because of the absence of revenue from European competitions.

Point four is that recorded football arguably has lost its former capacity to attract audiences. The viewers now want the live thing — which, of course, is one of the main barriers to agreement between television and soccer.

Point five is that many of

Trevor Bailey explains why football needs TV Soccer's boxed-in feeling

the clubs in the lower divisions of the football league are bitterly opposed to more live television coverage, fearing it would be yet another nail in their collective coffin. Yet, what alternative is there?

The answer, I believe, is the much-publicised super league. Despite the odd bright patch this season — such as Manchester United and the crowds they have drawn as they have annihilated most opponents — the overall impression has been that the Chester Report on soccer's problems was right: the league is too big and top-heavy. And that it is drifting towards therocism.

Even at the top level, the fans seem to be sensing that. My past four Saturdays have been spent watching first division games in London at Upton

Park, White Hart Lane, Highbury and Loftus Road.

Apart from last Saturday, when the good gods owed rather more to the attraction of Liverpool than that of the home team, Queen's Park Rangers, the games showed a substantial drop on last season's attendances. If supporters already have lost some of their enthusiasm when the weather is good and dreams remain, what will the crowds be like in bleak January?

In these circumstances, it is easy to understand the attractions for major clubs of cutting loose from the non-profit-makers. These are simply existing; they are to football what unproductive pits, steelworks, docks and shipbuilding yards are to the country.

The advantages of a stream-

lined super league are considerable. First, it would raise the standard as the best players gravitated to it. Second, it would make the job of England's manager much easier, as well as providing bonuses from fewer matches and a season that took less of a physical toll.

Third, it would eliminate any need to play in such non-events as the Screensport Super Cup and the Full Members Cup. Finally, it would increase the financial ability of the bigger clubs to buy and develop good players, partly through the bigger cut they would get from television.

Admittedly, a super league would be very hard on, and could possibly even ruin, a number of good small clubs like Luton and QPR. Although

doing well in the present first division, it is unlikely they would be asked to join, and their chances of gaining a place later also would be slight. Those managing a super league would not want the boat rocked more than necessary.

There probably would be a new first division but not more than one club would be promoted per season — and then only if it had the right degree of support; the first aim of a super league would be financial soundness.

Which 16 clubs would form such a league? My first 16 — based on situation, potential and support — would be Liverpool, Everton, Arsenal, Spurs, Manchester United, Manchester City, Newcastle, Sunderland, Aston Villa, Birmingham, Leeds, Sheffield Wednesday, Chelsea, West Ham and Southampton. This leaves one place to be fought over by Ipswich, Norwich, Leicester, WBA and Portsmouth; while I rather fancy a combined Forest and County from Nottingham, or a combined City and Rovers from Bristol.

James French previews a new snooker season Boom, boom time on the baize

EVEN IF you were not one of the 18.5m people who stayed up after midnight one Sunday last April to watch Dennis Taylor's epic last-frame victory in the world championship over the sport's No. 1 Steve Davis, you can hardly fail to realise that snooker is back on the box.

Last Sunday, after a comeback of almost Taylorian proportions, the Canadian Cliff Thorburn conquered chirpy Jimmy White to win the Goya Matchroom Trophy at Stoke-on-Trent. The immaculate Davis and the laughing Irishman Taylor departed in earlier rounds. Sponsorship for the first time by Goya confirmed that snooker, once epitomised by mis-spent youth, is now linked with the smart, get-ahead male.

The early departure of Davis and his world title successor Taylor suggests that snooker is no longer dominated by two or three superstars as in tennis but is edging towards "whose turn this week?" rivalry of golf. But only marginally. World rankings are to be decided from this season on two years' performances in six designated tournaments instead of over three years. This must make the list more volatile, though few would expect Davis to be dethroned.

If Davis's grip is slipping it must be good for the game. Just as John McEnroe commands strong vocal support at tennis tournaments, Alex Higgins, who challenges George Best as Ulster's oldest adolescent, has his supporters. But this occasionally inspired erratic seems a spent force.

Goya winner Thorburn, who has won two other titles in an unbeaten run this season, is remembered for his maximum 147 break in the 1985 world championship that earned him a bonus £13,000. The world No. 3, he has to sustain his current leadership through an exacting tournament programme that concludes with the Embassy world championship at Sheffield. Next instalment is the Rothmans Grand Prix at Reading, which starts next Saturday and is completed on October 27.

Snooker's boom shows no sign of diminishing. Mr Ray Stubbs, the new secretary of the Billiards and Snooker Control Council, says that 6m or 7m people in Britain play three or four times a year, and about half a million play three or four times a week. Last year the parents of 324 under-16s coughed up £4 for them to enter the junior championship.

Just as Mrs Worthington wanted to put her daughter on the stage Mr and Mrs Bloggs see their Darren as the Steve Davis of the next decade and are willing to subsidise him. In the snooker halls the young unemployed invest not only their social security money but parental handouts to play the game.

Mr Barry Hearn, accountant and entrepreneur, signed up Dennis Taylor after he took the world title, to John Davis, Tony Meo and Terry Griffiths in his worldwide promotions. He says that Taylor will make at least £25m over five years. Taylor and Davies recently enchanted the Chinese, and the stable is heavily booked for day trips to Belgium and Holland, both growth areas for snooker, and to West Germany, Switzerland, Austria and France.

"We're also going to the United States to convince them that they can play the table game of real class," Mr Hearn said. Bahrain, Muscat, Hong Kong and Brazil will also be colonised by the knights of the green baize.

It is boom, boom, boom. Mr Hearn's affable four are into Matchroom after shave, clothing and the full range of snooker accessories. And how about a Matchroom line in spectacle frames of the type sported by Taylor.

Mr Martin Lake, secretary of the World Professional Billiards and Snooker Association, forecasts that this year's best prospects to break into the Top Ten are John Parrott, 21, of Liverpool, ranked 18, and Neil Foulds, 23, of Perivale, ranked 23, a semi-finalist in the Goya



John Parrott lines up a shot

F.T. CROSSWORD PUZZLE No. 5,845

Prizes of £10 each for the first five correct solutions opened. Solutions, to be received by next Thursday, marked Crossword on the envelope, to The Financial Times, 10 Cannon Street, London EC4A 3DF. Solution next Saturday.

ACROSS

- Buggy-type of cabriolet — go sit in it! (14)
- Drank heavily over in the warehouse (5)
- In English, a story cannot be expressed (9)
- Submissive and mean but unstinting on Sunday (7)
- Formidable woman holding account has something to put down on the way (7)
- Alan's taken out by the nose (5)
- Fits coral into modern spectacles (9)
- Knight-bachelor, we hear, going round on a horse? (9)
- Tails could be lifted by it (5)
- Spotted article given to pawnbroker (7)
- Getting a five in prepared ground, he will even the score (7)
- But it is not a hurricane-lamp! (4-5)
- Plaster of Paris in some images sold (5)
- What the papers say? (8, 6)

DOWN

- A quiet eulogist and valuer (9)
- Band together? (5)
- Putting out cigars, the house went on fire (9)
- Ancient Greek place for music, but mainly verse (5)
- In smelling, look over plant (9)
- To fix medal, I'd grasp it (5)
- Not a useful container for mother's ruin (7)
- Inventor unpretentious in retirement? (6)
- Jockey, say, for sheep? (9)
- Do they tack on cold sheets? (3-6)

Solution to Puzzle No. 5,844

1 Across: Cabriolet
2 Down: Drunk
3 Across: Story
4 Down: Submissive
5 Across: Alan
6 Down: Fits
7 Across: Knight-bachelor
8 Down: Tails
9 Across: Spotted
10 Down: Getting
11 Across: Hurricane-lamp
12 Down: Plaster
13 Across: What the papers say

SATURDAY

† indicates programme in black and white

BBC 1

8.30 am What-a-Mess, 8.35 Children of Eve Mountain, 9.00 Saturday Superstore, 12.15-2.00 pm Grandstand including 1.00 News Summary; Football Focus with Bob Wilson; Galt: Ladies' Open Championship; Motor Racing: South West from Ascot at 2.00, 2.30 and 3.00; Racing from the Curragh at 3.40; Show Jumping from Wexford; and at 4.00 Classified results.

5.05 pm News, 5.15 Regional variations, 5.20 The Troop, 5.45 Terry and Julia, 6.15 The Noel Edwards Late Late Show, 7.05 Bob's Full House, 7.45 Juliet Bravo, 8.35 The Parrot and the Pirates, 9.00 News, 9.15 The Year Show from Wembley Arena.

BBC 2

12.40-1.30 pm Open University, 12.55 Sunday Cinema: Ona Ol' Our Ancestry, 1.30-2.00 pm The Parrot and the Pirates, 2.05 The Small Back Room, 2.15-2.30 pm The Parrot and the Pirates, 2.35-2.50 pm The Parrot and the Pirates, 2.55-3.10 pm The Parrot and the Pirates, 3.15-3.30 pm The Parrot and the Pirates, 3.35-3.50 pm The Parrot and the Pirates, 3.55-4.10 pm The Parrot and the Pirates, 4.15-4.30 pm The Parrot and the Pirates, 4.35-4.50 pm The Parrot and the Pirates, 4.55-5.10 pm The Parrot and the Pirates, 5.15-5.30 pm The Parrot and the Pirates, 5.35-5.50 pm The Parrot and the Pirates, 5.55-6.10 pm The Parrot and the Pirates, 6.15-6.30 pm The Parrot and the Pirates, 6.35-6.50 pm The Parrot and the Pirates, 6.55-7.10 pm The Parrot and the Pirates, 7.15-7.30 pm The Parrot and the Pirates, 7.35-7.50 pm The Parrot and the Pirates, 7.55-8.10 pm The Parrot and the Pirates, 8.15-8.30 pm The Parrot and the Pirates, 8.35-8.50 pm The Parrot and the Pirates, 8.55-9.10 pm The Parrot and the 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